

**FDIS**

# DAILY REPORT

## CONTENTS

*China*

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**PRC INTERNATIONAL AFFAIRS****GENERAL**

PRC Journal on U.S. Policy Toward Southern Africa [SHIJIE ZHISHI 1 May]	A 1
ASEAN Foreign Ministers' Meeting in Bali Viewed [LIAOWANG 11 May]	A 3
LIAOWANG on Responsibility for UN Financial Crisis [LIAOWANG OVERSEAS EDITION 12 May]	A 4

**UNITED STATES**

Yao Yilin Speaks at Dinner in Seattle 22 May	B 1
Rong Yiren Discusses U.S. Trade, Huguang Case [CHINA DAILY 23 May]	B 1
U.S. Denies Soviet Charge on Stalling Geneva	B 3

**NORTHEAST ASIA**

DPRK Calls for Resumption of North-South Contacts	D 1
South Korean Students Clash With Police	D 1
S. Korean Students Occupy U.S. Cultural Center	D 1
DPRK DFRF Group Arrives; Feted in Beijing	D 2
Deng Liqun Meets DPRK Journalists' Delegation	D 2
PRC Army Chief Yang Dezhi Departs Tokyo	D 2

**SOUTHEAST ASIA & PACIFIC**

Australian Prime Minister Arrives in Nanjing	E 1
Laurel To Run in Next Philippine Election	E 1
Zhang Aiping Meets Royal Thai Navy Admiral	E 2
PRC, Mongolian Trade Relations Increase	E 2

**SOUTH ASIA**

Pakistan's Zia Hosts PRC Good-will Delegation	F 1
Delegation Hosts Banquet	F 1

**WESTERN EUROPE**

Further Reportage on Wu Xueqian's European Trip	G 1
Danish Counterpart Praises PRC	G 1
Begins Visit to Belgium	G 1
Discusses Cambodia, World Issues	G 1
European Parliamentarians Continue Visit	G 2
Meet Zhang Jingfu	G 2
Host Return Banquet	G 2

## EASTERN EUROPE

Romanian President Meets With Song Ping	H 1
Poland, PRC Sign Scientific-Technical Accord	H 1
Qiao Shi Meets Polish Cooperatives' Delegation	H 1

## MIDDLE EAST &amp; AFRICA

Son of Tunisian President Bourguiba Visits	I 1
Meets Xi Zhongxun	I 1
Exchanges Views With Zhao	I 1
Kuwait Plans To Invest in PRC, USSR	I 2
XINHUA Analyzes Potential Syrian-Israeli Conflict	I 2

## PRC NATIONAL AFFAIRS

Officials Detail Early Satellite Launching Problems [AFP]	K 1
PLA Chief Yang Dezhi Returns to Beijing 22 May	K 1
Three People Arrested in Beijing for Profiteering	K 2
RENMIN RIBAO Commentator's Article [23 May]	K 2
Economic Commission Conducts Quality Spot Checks	K 4
LIAOWANG on Responsibility of Young Cadres	K 4
WENZHAI BAO Views Effects of Three Gorges Project [11 May]	K 6
GUOJI SHANGBAO on Labor Services Trade [8 May]	K 8
More Students To Study Abroad in 5 Years	K 9
Urban Militia Work Linked to Economic Reform	K 10
Deng Liqun, Zhu Muzhi at Press Ceremony	K 10
Xi Zhongxun, Others Honor Deceased Linguist	K 11
Xi Zhongxun Speaks at Tibet Center Opening	K 11
Xi Zhongxun Speaks on Handling Letters, Visitors	K 12
Circular Urges Stabilizing Vegetable Prices	K 12
Wan Li Attends Wu Zuoren Art Exhibit	K 13
Ulanhu Receives Chifeng City Song, Dance Performers	K 13
Labor Minister Stresses Need To Create New Jobs	K 14
Fang Yi Addresses Scientific Research Meeting	K 15
Economic Statistics for April Released	K 16
Rui Xingwen Attends Shanghai Cultural Symposium	K 17
Chen Pixian Makes Demands for Work in Fujian	K 18
[FUJIAN RIBAO 10 May]	
Li Peng Attends Foreign-Study Students Meeting	K 19

## PRC REGIONAL AFFAIRS

## EAST REGION

Fujian Leaders Attend Lateral Economic Ties Conference	O 1
[FUJIAN RIBAO 7 May]	
Chen Guangyi Discusses Fujian Economic Reform	O 1
[FUJIAN RIBAO 10 May]	
Shanghai Radio on Activities of Rui Xingwen, Others	O 3
Shanghai Seeks Cooperation With Foreign Investors	O 4
[CHINA DAILY 16 May]	

## CENTRAL-SOUTH REGION

Guangxi: Liuzhou Case of Withholding Taxes Concluded [GUANGXI RIBAO]	P 1
Yang Xizong Addresses Henan Social Science Congress	P 1
Henan Commentary on Social Science, Liberalization Issues	P 3
Hunan Factory Leaders Ignore Environmental Protection	P 3
Hunan Commentary Views Environmental Protection Work	P 4

## NORTH REGION

Beijing Municipal CPPCC Elects New Leaders, Members	R 1
Beijing Workers Urged To Abandon 'Rude Service'	R 1
Congress Accepts Resolutions	R 1
Hebei's Xing Chongzhi Extends Greetings on May Day Fete [HEBEI RIBAO 1 May]	R 2
Cadres Punished for Dumping Radioactive Waste in Hebei [CHINA DAILY 23 May]	R 2
Arrested Man Threatened To Blow Up Tianjin Railway Station [AFP]	R 4
Rectification Launched Among Tianjin Town Enterprises	R 4

## NORTHEAST REGION

Heilongjiang: Sun Weiben Speaks on Industrial Production	S 1
Jilin Students Hold Symposium on Labor as Commodity	S 1
Jilin To Issue New Self-Production, Marketing Certificates	S 2
Shenyang Experiments With Contract Management Factories	S 3

## TAIWAN

CAAC Returns CAL 747 in Hong Kong 23 May	V 1
Text of CAAC-CAL Statement	V 1
CAL Crewmen at Press Conference	V 1
Northern, Eastern Taiwan Hit by 25 Earthquakes [AFP]	V 2
Other Parties Support KMT Policy on Nonpartisans	V 2

## HONG KONG MEDIA ON CHINA

Prospects for CPC 'Third Echelon' Members Examined [CHING PAO 10 May]	W 1
Hong Kong Analyst Comments on Trade With PRC [SOUTH CHINA MORNING POST 23 May]	W 5

PRC JOURNAL ON U.S. POLICY TOWARD SOUTHERN AFRICA

HK211145 Beijing SHIJIE ZHISHI in Chinese No 9, 1 May 86 p 12

[Article by Yu Da: "New U.S. Moves in Angola"]

[Text] Recent U.S. moves in Angola suggest a change in its policy toward southern Africa and the deterioration of U.S.-Soviet contention in that region. This has caused much unrest in international opinion.

Last year the United States abolished the Clark Amendment, which forbade providing aid for the National Union for the Total Independence of Angola (UNITA), an anti-government force. The bill had been approved by the Carter administration 9 years ago. Subsequently, early this year the United States resumed its military aid to UNITA. The WALL STREET JOURNAL reported that the government had informed Congress of its plan to provide weapons worth \$15 million to UNITA. On 29 January, UNITA leader Savimbi visited the United States at the invitation of the White House. President Reagan met him and accorded him a reception at the "head of state level." Recently, THE WASHINGTON POST revealed that apart from just providing old weapons to UNITA, the United States has secretly delivered Stinger air defense missiles and TOW anti-tank missiles to Savimbi. Shultz said that as Soviet military advisers and 30,000 Cuban troops are stationed in Angola and the ruling Popular Liberation Movement of Angola-Party of Labor (MPLA-PT) possess fighter planes and other weapons provided by the Soviet Union, U.S. aid for Savimbi is a guarantee for him to "live" under strong Soviet and Cuban pressure.

What worries people is that the present U.S. moves could escalate the armed conflicts in Angola and inject new and complicated factors into the turbulent situation in southern Africa. People are in doubt about whether the U.S. policy toward southern Africa is becoming tougher and how the Soviet Union and Cuba, which support the ruling MPLA-PT, will respond.

For many years, Angola has been a hot spot of regional conflicts and U.S.-Soviet contention in southern Africa as a result of its close relationship with the independence problem of Namibia. To resist Soviet and Cuban influence, the United States has always sided with South Africa and maintained that the independence of Namibia must be related to the withdrawal of Cuban troops from Angola. During the Carter administration, the United States was not sure whether UNITA could have a great influence, as it was still weak at that time. Therefore, U.S. aid for UNITA was concealed and limited and was provided indirectly through South Africa. Since Reagan assumed office, the United States has pursued the policy of so-called "constructive contacts" toward southern Africa in the hope of persuading South Africa, through "silent diplomacy," to declare its stand, so as to ease the tense situation in southern Africa and to facilitate U.S. activities. In addition, the United States has also demanded that Cuba withdraw its troops from Angola and that the MPLA-PT and UNITA sign an agreement. For this reason, Crocker, the assistant secretary of state for African affairs in the State Department, has frequently visited southern African countries. Under such circumstances, South Africa and Angola concluded an agreement on military disengagement, thus bringing about a warm atmosphere of peace negotiations in southern Africa which was favorable to the U.S. position in that region. Not long afterward, however, South Africa began to wantonly suppress the black movement in the country. It also propped up a puppet regime in Namibia and invaded the southern part of Angola, harming the security of its neighboring countries. In Angola, the war between the MPLA-PT governments and UNITA escalated and conciliation vanished like soap bubbles.



U.S. diplomatic efforts failed in succession, In view of this situation, the hardliners in the U.S. ruling circle called for a new study of the policy of "construction" contacts" toward southern Africa and suggested that the United States take offensive measures and support UNITA. UNITA has gradually grown in strength over the past few years and now controls a southern region in Angola accounting for one-sixth of the country's territory. It also engages the government forces in seesaw battles on two-thirds of the country's territory. Some people in the U.S. Congress are of the opinion that UNITA can become a force to negotiate and contend with the MPLA-PT. Therefore, they stand for changing the practice of the Carter administration and providing more aid for UNITA so that it can be used to resist Soviet and Cuban influence in Angola.

Now the dry season offensives are approaching. The United States will help UNITA resist the offensives by the government forces.

Apart from this, the United States has exerted economic pressure on the Angolan Government in an attempt to force the MPLA-PT to reconcile with UNITA. The United States has asserted that it will withdraw its oil companies from Angola if the MPLA-PT insists on settling the UNITA issue by military means. Oil is Angola's economic lifeblood. Being in economic difficulties, Angola will find it hard to bear the blow resulting from a withdrawal of U.S. oil companies.

In the course of taking such strong measures as mentioned above, the United States is not forgetting to conduct dialogue with Angola. Although they do not have diplomatic relations, the two countries have made contacts on the independent problem of Namibia and bilateral relations. At the end of November last year, they resumed their talks, which had been suspended for a time. Early this year, U.S. Assistant Secretary of State Crocker visited Angola, where he said that "in line with a constructive spirit," the United States "is willing to continue and promote the diplomatic process impacting on southern Africa, the Namibia problem in particular." Angolan President Dos Santos remarked that the Angolan Government was ready to continue talks with the United States on the question of southern Africa.

New U.S. moves in Angola have aroused strong repercussions in various circles. President Dos Santos denounced direct U.S. military aid for UNITA by saying that it was brutal intervention in Angola's internal affairs. He said that Angola would not knuckle under from U.S. "blackmail" and "threats." Zambian President Kaunda pointed out that U.S. moves directly endangered peace in southern Africa. He warned that if the United States does not stop supporting Savimbi, Angola "will be like Korea -- divided into two, with the southern part in the hands of the United States and the northern part the Soviet Union." On the same day that Reagan met Savimbi, Soviet ministers of foreign affairs and national defense met Angolan and Cuban Government delegations in Moscow, where the former reiterated their support for Angola.

International opinion maintains that the present moves of the United States will only aggravate the domestic contradictions in Angola and drive the MPLA-PT further in its reliance on Soviet and Cuban support, making Cuban withdrawal even more impossible. If the Cuban troops stay, South Africa will take this as an excuse to hamper Namibia's independence. This will add to the difficulties of achieving peace in southern Africa.

ASEAN FOREIGN MINISTERS' MEETING IN BALI VIEWED

HK211311 Beijing LIAOWANG in Chinese No 19, 12 May 86 p 8

[Article by Zhang Yiming: "Working for the Peace and Prosperity of Southeast Asia"]

[Text] The foreign ministers of the Association of Southeast Asian Nations [ASEAN] recently proposed the diplomatic and economic isolation of Vietnam in order to press it to withdraw its entire invasion army from Cambodia. At the same time, they asked the United States and other Western industrialized countries to eliminate trade barriers. These are the new efforts made by the six ASEAN states to promote peace, stability, and prosperity in the Southeast Asian region.

On 29 April, the foreign ministers of Brunei, Malaysia, Indonesia, the Philippines, Singapore, and Thailand convened on the scenic island of Bali.

The ASEAN foreign ministers published a joint statement supporting the eight-point proposal on the political solution of the Cambodian problem issued by the Coalition Government of Democratic Kampuchea on 17 March. The statement praised the eight-point proposal as "constructive," "fair and reasonable," and said that it "reaffirms the ASEAN position that the Cambodian problem must be resolved by the Cambodian people themselves." It pointed out that the proposal "reflects the sincere efforts of the Coalition Government of Democratic Kampuchea to search for a just and permanent solution to the Cambodian problem." The foreign ministers also reiterated their determination to continue to strive for a political solution of the Cambodian problem, and strongly urged the international community to support the eight-point proposal.

The ASEAN foreign ministers' meeting also discussed the economic issues confronting ASEAN. It was decided that the ASEAN heads of state conference will be held in the Philippine capital of Manila in the second half of 1986. At the same time, it was unanimously agreed that a special committee will be set up to study related problems on the acceptance of new members to the organization.

On 1 May, the six ASEAN foreign ministers held talks with visiting U.S. President Ronald Reagan in Bali and asked the United States to play a greater role in the solution of the Cambodian problem. Both sides believe that the eight-point proposal of Democratic Kampuchea represents "a stride towards" a solution of the Cambodian issue. Reagan indicated that the United States is ready to participate constructively in the solution of the Cambodian issue and added that the United States supports ASEAN's fundamental policy on this issue, that is, under international supervision, Vietnam should withdraw its entire invasion army from Cambodia, Cambodian sovereignty and independence should be restored, and all factions in Cambodia should hold negotiations and conduct free elections. Reagan also expressed full support for the ASEAN plan to isolate Vietnam diplomatically and economically until it agrees to end its occupation of Cambodia. However, he "has reservations on any plan regarding the participation of the Khmer Rouge in the political solution of the Cambodian issue."

Reagan met with the ASEAN foreign ministers in Bali on a stopover on his way to attend the seven-nation summit in Tokyo, Japan. According to reports, the meeting reflected the importance attached by the United States to relations with the ASEAN states.

It also used the occasion to propel the ASEAN states into closer cooperation with the United States in order to consolidate and strengthen the U.S. position in Southeast Asia and in the entire Asia-Pacific region.

The six foreign ministers presented to Reagan a memorandum adopted during the foreign ministers' meeting in which they called for the elimination of trade barriers. The ASEAN states hope that the United States and other Western industrialized countries will suppress trade protectionism and import more products from ASEAN. According to reports, Reagan made no clearcut position on this issue but promised that the economic difficulties confronting ASEAN would be discussed during the seven-nation summit in Tokyo. He indicated that the United States will cooperate closely with ASEAN to maintain a free flow of trade.

In recent years, the continued economic recession in the West, rampant protectionism in Western countries, and the drop in the prices of raw materials on the world market have dealt a heavy blow to the economies of ASEAN states, resulting in widespread economic slowdown in the six countries.

In particular, one country even registered a negative economic growth rate last year. According to a report of the Asian Development Bank, the decline of prices for petroleum and other export products in the world market alone accounts for the decrease from 2.2 percent to 4.8 percent in gross domestic product of ASEAN states in 1985. The ASEAN foreign ministers hoped that Reagan would present their views at the Tokyo summit in order to hasten the economic recovery of their countries.

#### LIAOWANG ON RESPONSIBILITY FOR UN FINANCIAL CRISIS

HK200330 Hong Kong LIAOWANG OVERSEAS EDITION in Chinese No 19, 12 May 86 p 27

[Article by He Chengzhang: "Who Is Responsible for the UN Financial Crisis?"]

[Excerpts] The United Nations which has just celebrated its 40th anniversary is now facing the most serious financial crisis since it was founded. After the resumption of this UN session at the end of last month, on an urgent motion of the Secretary-General Javier Perez de Cuellar, the 159 member states had to give priority to discussing this major issue threatening the existence and future of the United Nations.

According to the secretary-general, this "unprecedented" financial crisis confronting the United Nations "is, fundamentally speaking, a political crisis." In their speeches, representatives of all countries focused on the United States. Notwithstanding that there are various abuses to be reformed in the United Nations such as numerous meetings and documents, overstaffing, and so on, people are still justified in believing that the United States' change in its attitude towards the issue of UN membership dues is the primary cause for the current "financial crisis."

In the early days of the United Nations, the United States offered to undertake 40 percent of the annual UN expense budget of its own accord. However, with the change of times, more and more medium and small countries as well as countries of the Third World have joined the United Nations.



In light of the principle that the rights of all member nations are equal as stipulated in the UN Charter, they act in unison and exercise equal voting rights at UN conferences, thus increasingly breaking with the situation in which the United Nations was manipulated and controlled by individual superpowers in its early days. In view of this situation, the United States on two occasions demanded the United Nations to lower its membership dues from 40 percent to 33 and 25 percent. In early 1983, in the UN rostrum the U.S. deputy representative to the United Nations brazenly expressed that the United States welcomes the United Nations to be moved from the United States. In early last year, the U.S. Government decided to withdraw from UNESCO.

In August of last year, in a amended motion the U.S. Congress proposed that if the United Nations does not replace the current one-nation-one-vote system with "the system of weighted vote" (i.e. the effectiveness of a country's right to vote in the United Nations is decided by the amount of its UN membership dues), the United States will continue to reduce its UN membership dues. Therefore, recently, under the condition of not consulting the United Nations in advance as stipulated by the UN resolutions concerned and only on the merit of a bill passed by its Congress, the United States unilaterally decided to lower its UN membership dues from 25 percent to 20 percent, or from \$210 million per year to \$140 million per year, and declined to pay the membership dues of this year so far.

In defiance of the UN charter, the United States presumptuously determined its own membership dues and even forced the congressional bill, which should only be effective within its own country, on the United Nations. This is not only a violation of international practice but also shows contempt for the sovereignty of other member nations. After fulfilling their financial obligations according to the UN resolutions concerned, all countries, big or small, should enjoy the equal right to vote. The so-called "system of weighted vote" is just an out-and-out proposal of "buying privilege with money."

In their speeches, representatives of China, Japan, West Germany and the Group of 77 all responded to the call of the UN secretary-general to actively pay membership dues and criticized the United State's course of action. At a luncheon given in honor of reporters stationed at the United Nations, Perez de Cuellar implicitly warned that "no country is entitled to threaten or blackmail the United Nations."



YAO YILIN SPEAKS AT DINNER IN SEATTLE 22 MAY

OW231010 Beijing XINHUA in English 0956 GMT 23 May 86

[Text] Seattle, May 22 (XINHUA) -- The realization of China's economic prosperity requires China to increase its economic relations and technological exchanges with other countries, Vice Premier Yao Yilin said here this evening. He was speaking at the dinner hosted by Governor of Washington State Booth Gardner and his wife and attended by Charles Royer, mayor of Seattle, and some 400 prominent personalities from various circles.

Speaking at the dinner, Governor Gardner said "international trade is one of the mainstays of our state's economy, and China is one of our most important trading partners." It is estimated that 20 percent of the dollar value of all two-way trade between the U.S. and China passes through Washington State, he added. Leaders of the government and private sectors in Washington State have long recognized China's importance and worked to build a strong, mutually beneficial friendly relationship, Governor Gardner said, adding "from this foundation of mutual understanding and mutual benefit, we look to the future with high hopes."

In reply, the Chinese vice premier asked the governor to convey the good wishes from the Chinese people to the people of Washington State. He said the state of Washington and the city of Seattle have made important contributions to the development of Sino-U.S. relations. Referring to China's policy of opening to the outside world, Yao Yilin said, while stepping up efforts to expand foreign trade, China has also adopted preferential policies with respect to introducing into the country needed capital, technologies, equipment and skilled personnel, and worked to improve investment environment so as to ensure legitimate returns to China's foreign partners. Yao Yilin noted that China-U.S. relations have not developed to the levels as they should be, and the promotion of exchanges and cooperation of the two countries in various fields rests on the continued joint efforts of both sides.

The vice premier extended warm welcome to American business executives in Washington State and Seattle to visit China and strengthen the cooperation with their Chinese counterparts. This morning Yao Yilin and his party visited John Fluke Manufacturing Company, a leading U.S. electronic testing instrument maker, and the Everett assembly plant of the Boeing commercial airplane company in Seattle. In the afternoon, the vice-premier toured the farmers market of Seattle and attended a reception hosted by Chinese American citizens in Seattle.

RONG YIREN DISCUSSES U.S. TRADE, HUGUANG CASE

HK230508 Beijing CHINA DAILY in English 23 May 86 p 2

[Text] New York -- Rong Yiren, chairman of the board of directors of the China International Trust and Investment Corporation [CITIC], said here this week that China expects more and larger economic co-operation with foreign countries during the Seventh Five-Year Plan (1986-1990). "China will continue to carry out the long-term national policy of opening to the outside world and will further promote trade and technological exchange with all other countries," he said at a business executives' luncheon in the World Trade Centre.

Rong briefed some 50 top U.S. bankers, investors and industrialists on the Chinese economic development strategy for the next five years as adopted by the National People's Congress last month.

The luncheon was sponsored by the National Committee on United States-China Relations and the Port Authority of New York and New Jersey to welcome the Chinese businessman.

During the five-year period, he said, "China will make greater efforts to expand foreign trade and use more foreign investment and introduce more advanced technology."

Participants from all parts of the United States listened with great interest as Rong assured them that China is making conditions attractive for prospective overseas investors, calling the situation the best opportunity available in the country for the last three decades and more.

Rong cited four major favourable investment environments in China now:

-- China is experiencing the best period politically since its founding in 1949, a period of what "We call a good government that enjoys great popular support." The political situation is stable and so is the policy.

-- The legal system that governs China's economic deals with foreign countries is being perfected, protecting overseas investors' legitimate rights and interests. Since 1979, the country has promulgated 11 state laws, including the Sino-Foreign Joint Venture Law and the Foreign Enterprise Law.

-- Economically, China has achieved tremendous success over the past few years. The strong and healthy economic growth has provided adequate material conditions for further opening to the outside world.

-- The move to clamp down on such malpractices as corruption, bribery and speculation has created a better political and social environment for business operations both internally and with foreign partners.

A discussion on a wide range of subjects covered in Rong's speech was held afterwards.

In an interview with CHINA DAILY, Rong called for speedy settlement of the Huguang Railway bonds dispute between China and the U.S. It has impeded CITIC from considering issuing bonds in the United States and has consequently meant a loss for U.S. businesses, Rong said. The Huguang case is now pending before a federal appeals court; a decision is expected sometime this year. The case was first filed in the state of Alabama in September 1979 and was dismissed in favour of China by a federal district court in 1984.

CITIC will borrow heavily abroad in the next few years, Rong told CHINA DAILY, in the form of bonds and long-term loans. CITIC is not afraid of going into debt, Rong said, as long as the funds borrowed are spent properly and can improve China's economy. So far, CITIC would be willing to consider issuing bonds in the United States if the Huguang bonds case were settled, Rong said.

Rong is here on a one-week visit. He received an honorary doctorate from Hofstra University on Long Island, New York, on Sunday and met with Delaware Governor Michael N. Castle and Lieutenant Governor S.B. Woo on Monday.

In the next few years, CITIC will put its emphasis on developing natural resources and energy and importing advanced technology, the chairman said. CITIC's co-operation with American businesses has been, in general, satisfactory, Rong noted. The Pingshuo Coal Joint Venture with Occidental Corporation is progressing smoothly, and is expected to start production early next year. The joint venture with Otis Elevator has done well on technology transfer and the joint venture with Beatrice Foods is developing products in Guangdong. Rong disclosed that the next chairman of Beatrice will visit China next month, the first foreign country he will visit after taking office. CITIC has been assured that leadership change of Beatrice will not affect the corporation's relationship with China and CITIC, Rong said.

#### U.S. DENIES SOVIET CHARGE ON STALLING GENEVA

OW220152 Beijing XINHUA in English 0140 GMT 22 May 86

[Text] Washington, May 21 (XINHUA) -- The Reagan administration today denied a Soviet charge that the U.S. has not been serious in the Geneva arms control talks, and said that something could come out of a second U.S.-Soviet summit if it takes place this year. It also called on the Soviet Union to agree to a date for rescheduling a meeting between U.S. Secretary of State George Shultz and Soviet Foreign Minister Eduard Shevardnadze, which had been cancelled by the Soviet Union following the U.S. bombing of Libya. The State Department spokesman Bernard Kalb said the Soviet accusation that the U.S. has not responded to Soviet initiatives on arms control "is simply wrong"

In Geneva, he said, "The United States tabled a major INF (intermediate-range nuclear forces) verification proposal to which we are awaiting a Soviet response. We have offered U.S. ideas for progress on nuclear testing. The Soviets have not responded positively." Instead, he accused the Soviet Union of being "unwilling to join" the U.S. in an effort to create an appropriate political atmosphere for a second Reagan-Gorbachev summit, while the U.S. "sought an intensified high-level dialogue, including preparations for an early 1986 summit."

Meanwhile, U.S. Assistant Secretary of State for European Affairs, Rozanne Ridgway, told the House subcommittee on Europe Wednesday that the U.S. is still expecting the summit to take place in November, after the mid-term U.S. congressional elections. She said that although the Soviet Union postponed as essential step needed to prepare for the summit--the holding of a foreign ministers meeting--the U.S. sees "nothing in principle that would preclude such a meeting" between the leaders of the two superpowers. "We believe that a 1986 summit, well-prepared, can have a positive outcome, and that requires a lot of time," she said.



DPRK CALLS FOR RESUMPTION OF NORTH-SOUTH CONTACTS

OW171926 Beijing XINHUA in English 1757 GMT 17 May 86

[Text] Pyongyang, May 17 (XINHUA) -- A high ranking Korean official today called on South Korea to stop any kind of military activities which would harm the atmosphere of North-South dialogue and intensify the situation. Kim Pong-chu, member of the Presidium of the Central Committee of the Democratic Front for the Reunification of the Fatherland, made the call at a rally held in Pyongyang gymnasium to mark the sixth anniversary of the "Kwangju popular uprising." Kim Pong-chu, also chairman of the Central Committee of the General Federation of Trade Unions of Korea, said the uprising staged on May 18, 1980 in the South Korean city of Kwangju, was aimed opposing dictatorship and striving for democracy. The uprising will go down in history as struggle of the South Korean people against imperialism, fascism and for national salvation, he said.

Kim said that in the past six years, the struggle carried out by the South Korean people has embarked on a new road of development. Their struggle this year against U.S. war policy, splittism and colonialism, and the ten million-strong signature campaign have made the South Korean authorities feel "uneasy." These struggles against fascist rule and for national sustenance and democracy are just and patriotic, he said. Kim stressed that whatever happens in South Korea, the North part has "no intention to get itself involved," "nor has it any intention to create chaos in South Korea." Kim urged the United States and South Korea to respond at an early date to the proposal for tripartite talks put forward by the North two years ago. He also called on the United States to stop supporting the South Korean regime and to withdraw unconditionally its forces and nuclear installations from South Korea.

SOUTH KOREAN STUDENTS CLASH WITH POLICE

OW171840 Beijing XINHUA in English 1546 GMT 17 May 86

[Text] Pyongyang, May 17 (XINHUA) -- Hundreds of South Korean students clashed with police on the eve of the sixth anniversary of the anti-government uprising in Kwangju, according to the KOREAN CENTRAL NEWS AGENCY (KCNA) today. KCNA said in a dispatch that about 600 students from Koryo University staged an anti-government demonstration after a campus rally to mark the Kwangju event. The demonstrators burned Chon Tu-hwan's effigies and fought police tear gas with stones and gasoline bottle bombs. Similar demonstrations were reported from Yonsei University and Kwangju, the very city that witnessed the anti-government uprising in 1980. Over 190 people were killed and some 800 others injured during the nine-day bloodshed. Meanwhile, the major opposition New Korea Democratic Party issued a statement demanding democratic reforms, the release of political prisoners and warnings to the United States against its support for Chon's regime. The party, headed by leading dissidents Kim Yong-sam and Kim Tae-chung, termed the Kwangju uprising a "national tragedy" and said that continued U.S. support for the South Korean Government will bring more anti-American sentiments among the Korean people.

S. KOREAN STUDENTS OCCUPY U.S. CULTURAL CENTER

OW211808 Beijing XINHUA in English 1756 GMT 21 May 86

[Text] Pyongyang, May 21 (XINHUA) -- Seventeen students in Pusan, the second largest city in South Korea, today occupied for about an hour the American Cultural Center there to demand a U.S. apology for the Kwangju incident, according to reports received here.



They erected barriers in the library on the building's ground floor and held a sit-down protest, carrying placards inscribed with the words, "Do not forget the Kwangju struggle, overthrow pro-U.S. dictatorship." About 400 South Korean policemen rushed to the scene and arrested all the students. It was South Korean students' first attack against American institutions this year. Several such actions were witnessed in Seoul, Kwangju, Pusan and other South Korean cities last year.

In another development, several thousand students at the Seoul National University today held a memorial meeting for those who died in the Kwangju uprising, which took place on May 18, 1980. The students denounced and asked the United States to apologize for its support to the authorities in suppressing the uprising, in which more than 5,000 people were killed and some 10,000 others injured.

#### DPRK DFRF GROUP ARRIVES; FETED IN BEIJING

OW201403 Beijing XINHUA in English 1350 GMT 20 May 86

[Text] Beijing, May 20 (XINHUA) -- Yang Jingren, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, hosted a banquet here this evening to welcome a delegation from the Korean Democratic Front for the Reunification of the Fatherland. Speaking at the banquet, Yang said that both China and Korea are faced with the sacred mission of reunifying their countries. He believed that the Korean people, under the leadership of the Korean Workers' Party led by their leader Kim Il-sung, will succeed in the reunification of their fatherland. He reiterated that the Chinese people will unswervingly support the Korean people in their efforts for an independent and peaceful reunification of their fatherland and against creating "two Koreas".

In reply, Chong Sin-hyok, head of the delegation, wished for greater achievements by the Chinese people in reunifying their country under the concept of "one country, two systems" and in maintaining world peace as well. He also thanked the Chinese Government and people for their consistent support to the Korean people's struggle for reunifying their fatherland. The Korean delegation arrived here this morning.

#### DENG LIQUN MEETS DPRK JOURNALISTS' DELEGATION

OW191148 Beijing XINHUA in English 1128 GMT 19 May 86

[Text] Beijing, May 19 (XINHUA) -- Deng Liqun, member of the Secretariat of the Chinese Communist Party Central Committee, met a delegation from the Korean Journalists' Union here today. The delegation headed by Yi Hui Uk, chief editor of the KANGWON DAILY, arrived here May 16 at the invitation of the All-China Journalists' Association.

#### PRC ARMY CHIEF YANG DEZHI DEPARTS TOKYO

OW221541 Beijing XINHUA in English 1513 GMT 22 May 86

[Text] Tokyo, May 22 (XINHUA) -- Yang Dezhi, chief of general staff of the Chinese People's Liberation Army, left Tokyo for home today. Yang was seen off at the airport by Hiromoto Seki, counsellor in the Japanese Ministry of Foreign Affairs, Hideki Suzuki, chief of secretariat of the Joint Staff Council of the Japanese Self-Defence Forces. Yang arrived here Wednesday on his way home from a trip to the United States. During his stay, he called on Japanese Prime Minister Yasuhiro Nakasone and the Director-General of the Defence Agency Koichi Kato.

AUSTRALIAN PRIME MINISTER ARRIVES IN NANJING

OW221414 Beijing XINHUA in English 1401 GMT 22 May 86

[Text] Nanjing, May 22 (XINHUA) -- Australian Prime Minister Robert Hawke and Mrs Hawke arrived in Nanjing, capital of Jiangsu Province, this afternoon in the company of General Secretary Hu Yaobang of the Chinese Communist Party Central Committee. Greeting them at the airport, where they had arrived after a visit to the Sichuan provincial capital of Chengdu, were Governor of Jiangsu Province Gu Xiulian, Deputy Governor Chen Huanyou and other leading Nanjing figures. At the provincial government building, Gu briefed the visitors on the province's economic development and foreign trade.

This afternoon, Hawke also attended the signing of an agreement between China and Australia on building a wool storehouse. The storehouse is planned to hold 10,000 tons of wool and will handle and distribute wool imported from Australia. Under the agreement, the Australian side will provide structural components, equipment and a computer system, and the Chinese side will provide the site, buildings and transportation to be built near Nanjing's Xinshengxu Port, which opened to foreign ships recently. The storehouse will be used by the Chinese side after completion. Signing the agreement were Chinese Vice-Minister of the Textile Industry He Zhengzhang and Chairman of the Australian Wool Corporation D.J. Asimus.

This evening, Gu Xiulian gave a banquet for the Australian visitors at the Jinling Hotel. Hu Yaobang was present. Jiangsu Province and Australia's Victoria State established friendly ties in 1979. In their toasts, Gu and Hawke expressed their hope to further promote trade and economic cooperation between the two sides. Hawke and his party visited Nanjing's Yangtze Bridge and the Sun Yat-sen Mausoleum this afternoon.

LAUREL TO RUN IN NEXT PHILIPPINE ELECTION

OW221835 Beijing XINHUA in English 1812 GMT 22 May 86

[Text] Manila, May 22 (XINHUA) -- Philippine Vice-President and Foreign Affairs Minister Salvador Laurel said today he will run in next year's general elections. Laurel told the media he wants to erase the "cloud of doubt" surrounding he and President Corazon Aquino, who claimed victory over ousted President Ferdinand Marcos after a fraud-tainted election in February. He said he is willing to follow whatever the constitutional commission -- which is due to convene June 2 -- decides about elections. "We are not afraid to run again and we will follow the constitution," he added. He did not say in what position he would run, admitting he and Aquino haven't talked about that. "That's the least of our problems, we can always agree," he added.

There have been forceful calls for elections for everything from the presidency down to the smallest political unit by next year to determine who has the mandate of the Filipino people. Opposition members say Mrs Aquino and Laurel do not have the mandate since they assumed power under "extraordinary circumstances," referring to the four-day military mutiny that led to the downfall of Marcos.

ZHANG AIPING MEETS ROYAL THAI NAVY ADMIRAL

OW221050 Beijing XINHUA in English 1035 GMT 22 May 86

[Text] Beijing, May 22 (XINHUA) -- Zhang Aiping, state councillor and minister of national defense, met visiting Commander of the Royal Thai Navy Admiral Niphon Sirithon, his wife and their party, here today. He said friendly relations between China and Thailand and their two navies have been established for quite a long time. He hoped that the two navies will expand their friendship and contribute to peace in Southeast Asia, the Pacific region and the other parts of the world. Niphon hoped that the two navies will increase their cooperation and exchanges, so as to learn from each other. Present on the occasion were Liu Huaqing, navy commander of the Chinese People's Liberation Army, and Orachun Tanaphong, Thai ambassador to China.

PRC, MONGO AN TRADE RELATIONS INCREASE

OW160553 Beijing in Russian to the USSR 1800 GMT 15 May 86

[Text] This year local trade relations between China and the MPR were established for the first time. This represents a new step in trade relations between the two countries. At the invitation of the MPR, a Nei Monggol Autonomous Region border trade delegation visited the MPR between the end of October and beginning of November in 1985 and studied and discussed the question of border trade between the two countries with the Mongolian side. In the MPR, the delegation not only visited plants and factories, shops, schools, and scientific and research institutes, agricultural and life-stock farms, but also signed three documents with the MPR state committee for material and technical supply: A protocol on border trade between China and the MPR for the period of 1985 to 1986; a general contract on border trade between China and the MPR for 1986; and a protocol between Bank of China and the MPR State Bank on the procedures for accounting and financial transactions with regard to border trade. This serves as a good beginning for the development of border trade between the two countries. Consistent with the contract, the turnover of the first batch of trade goods in the first quarter of this year was 636,000 Swiss francs.

The MPR delivered to Nei Monggol Autonomous Region of China newsprint, mass produced carpets, work footwear, deer antlers, children's footwear and other goods in the sum of 318,000 Swiss francs. The Nei Monggol Autonomous Region in turn delivered to the MPR, sports clothing, thermos flasks, volleyballs, paint brushes, and other goods valued at 318,000 francs. It is expected that the value of the second batch of goods will increase significantly.

While in the MPR, the border trade delegation from Nei Monggol Autonomous Region staged a small exhibition of samples, in which more than 600 products were displayed which were produced in Nei Monggol, including bronze objects, musical instruments, clothing, knitwear, footwear, hats, children's toys, foodstuffs, and household electrical appliances. Activists from various MPR circles spoke well about the products manufactured in Nei Monggol and thought that local resources and the export goods of Nei Monggol Autonomous Region could satisfy the needs of the MPR. During the exhibition, an MPR border trade delegation picked 80 odd samples which were of interest to them. This speaks well of the MPR's good intention to actively develop border trade with the Nei Monggol Autonomous Region of China. Besides the traditional goods, the Mongolian side offered to exchange white floors for [word indistinct]. The Chinese Nei Monggol Autonomous Region gave a positive reply to this proposal.



We will further tell you of the trade relations between the two countries: The MPR is one of the first to have recognized and to have established diplomatic relations with the PRC.

From October 1952, when both sides signed a economic and cultural cooperation agreement in Beijing, the trade ties between the two countries grew steadily. The volume of trade grew particularly rapidly after the opening of the Taiyuan-Ulaanbaatar railway line in 1955.

In 1960 the trade turnover between both countries already reached 31,290,000 rubles, 47 times greater than 1951 and represents 20 percent of the MPR's total foreign trade. This was the flowering of trade between the two countries. Later, due to complex international reasons, trade became patchy. In the last 5 years trade between the two countries developed steadily. The turnover in 1985 reached 15 million Swiss francs, which is 53.3 percent greater than in 1984.

In April of this year a long-term agreement was signed in Beijing between the governments of the PRC and the MPR for the period of 1986 to 1990. This is the first long-term trade agreement between the governments of the two countries. In accordance with this agreement, both sides will continue to further develop bilateral trade relations on the principles of equality and mutual benefit. China will deliver silk and other light industry goods, fresh and dried fruit to the MPR. The MPR will send textiles, horsehide, deer antlers, and other goods to China. Both sides have also signed a contract on exchanges and payments for goods for 1986.

Over the past 30-odd years, the MPR has supplied China with more than 500 types of goods, particularly livestock products, timber, and raw material for medicines. China supplied the MPR with thousands of different goods including textiles, silk and satin, leather goods, tobacco, tea, sugar, spices, and other light industrial and foodstuff products.

#### HONG KONG TO TRAIN PRC AERONAUTICAL ENGINEERS

OW221747 Beijing XINHUA in English 1503 GMT 22 May 86

[Text] Hong Kong, May 22 (XINHUA) -- Hong Kong is helping train aeronautical engineers from the Chinese mainland for overseas service under a scheme sponsored by a local joint venture. The program offers for overseas service disciplined, integrated and balanced engineering teams competent to undertake the work of all the trades involved in the overhaul of airliners, Feng Bao-xun, deputy general manager of the joint venture -- South China Aero Technology Ltd (SCAT) -- told XINHUA today.

Mainland personnel experienced in aircraft design, manufacture and flight testing are being given training in Hong Kong, covering Western airliner maintenance practices and procedures, he said. This covers both classroom theoretical and on-the-job practical activity in hangars and workshops, he said. The course is for 18 months and includes intensive technical English to ensure familiarity with maintenance manuals and documentation. Upon graduation, each technician will be qualified to lead a team of mechanics to undertake inspection and repair of Boeing 747s or 737s and Lockheed Tristars, he added.

Demand for such services is from the Middle East where increasing difficulties are evident in retaining traditional labor sources, Feng said. Most of the first class of 30 now under training in Hong Kong are graduates from China's aeronautical engineering institutions. They will shortly be followed by 150 more technicians, he said. SCAT is a joint venture formed by the Hong Kong Aircraft Engineering Company Ltd. (HAECO) and the China National Aero Technology Import and Export Corporation (CATIC).



I. 23 May 86

PRC INTERNATIONAL AFFAIRS  
SOUTH ASIA

F 1

PAKISTAN'S ZIA MEETS PRC GOOD-WILL DELEGATION

OW221358 Beijing XINHUA in English 1344 GMT 22 May 86

[Text] Islamabad, May 22 (XINHUA) -- Pakistan President Ziaul Haq said here today that the development of relations between Pakistan and China has provided a model for peaceful co-existence between countries of different social systems. Zia made the remarks when he met with a visiting Chinese good-will delegation led by Fu Hao, member of the Standing Committee, and vice-chairman of the Foreign Affairs Committee of the Chinese National People's Congress.

The Pakistan president said that the development of Pak-Sino relations in the past 35 years since the establishment of diplomatic ties has demonstrated that "a big country and a relatively small country can help each other and co-exist peacefully for mutual benefit", thus providing a model for the whole world. The friendship between the peoples of the two countries, Zia said, is "sincere" and the Pakistani people treat the Chinese people as their own brothers. He also expressed his confidence that further development of Pak-Sino relations will be in the interests of the two peoples.

During the meeting, Chinese delegation leader Fu Hao praised President Ziaul Haq for his "valuable contribution to the consolidation and development of the relations and friendly cooperation between the two countries."

The Chinese delegation leader also met Chairman of the Senate Ghulam Ishaq Khan here this morning and called on Prime Minister Mohammad Khan Junejo and Speaker of the National Assembly Syed Fakhar Imam yesterday.

The delegation has come to participate in celebration of the 35th anniversary of the establishment of diplomatic relations between China and Pakistan.

Delegation Hosts Banquet

OW230234 Beijing XINHUA in English 0057 GMT 23 May 86

[Text] Islamabad, May 22 (XINHUA) -- Leader of the Chinese good-will delegation Fu Hao said here today that he was deeply impressed by the fact that the Pakistani Government and people attach great importance to the Pakistan-China ties.

Speaking at a reciprocal banquet, Fu Hao, member of the Standing Committee and vice-chairman of the Foreign Affairs Committee of the Chinese National People's Congress said that China and Pakistan are trustworthy friends of mutual respect, and both sides are quite satisfied with the development of Sino-Pakistan friendship and cooperation.

In his speech, Minister of State for Foreign Affairs Zain Noorani said, the celebrations between Pakistan and China are serving a most useful purpose. The solidarity between Pakistan and China has served not only the interests of the two peoples but also the cause of peace and stability in Asia and the world, he said. He believed that the friendship between the two countries will continue to grow in the years to come.

The Chinese delegation will wind up its visit in the capital tomorrow and go on to Lahore and Karachi. It will leave for home on May 27.

FURTHER REPORTAGE ON WU XUEQIAN'S EUROPEAN TRIP

OW220617 Beijing XINHUA in English 0556 GMT 22 May 86

[Text] Copenhagen, May 21 (XINHUA) -- China's development reveals the nation's unique driving force and great potential, which when realized will contribute greatly to the world, Danish Foreign Minister Uffe Ellemann-Jensen said today. He made the remark at an official dinner in honor of visiting Chinese State Councillor and Foreign Minister Wu Xueqian.

Ellemann-Jensen said China has won the world's admiration for bringing together tradition and modernity, stability and change. He noted that relations between Denmark and China have been developing rapidly, as evidenced by the increased number of official visits.

Wu praised Denmark for its economic achievements and its work for world peace. He said that China and Denmark share similar views on many international issues and that the cooperation between China and a strong and united Europe is an important element in ensuring peace and stability in the world. Wu, who arrived in Copenhagen Tuesday, ends his visit tomorrow.

## Begins Visit to Belgium

OW221801 Beijing XINHUA in English 1749 GMT 22 May 86

[Text] Brussels, May 22 (XINHUA) -- Chinese Foreign Minister Wu Xueqian arrived here this afternoon for a three-day official visit. Wu, who just completed a state visit to Denmark, was greeted at the airport by Leo Tindemans, Belgium's minister for external relations, officials of the commission of the European Communities (EC), and Liu Shan, Chinese Ambassador to Belgium and the EC. During his stay the Chinese foreign minister will have separate talks with Tindemans and Jacques Delors, president of the EC commission, on bilateral relations and international issues. Belgium is the fifth leg of Wu's nine-nation European tour, which has already taken him to Finland, Sweden, Norway and Denmark. The other four countries on his schedule are Luxembourg, Ireland, Hungary and Democratic Germany.

## Discusses Cambodia, World Issues

OW230604 Beijing XINHUA in English 0534 GMT 23 May 86

[Text] Brussels, May 22 (XINHUA) -- Belgium will do all it can to contribute to China's modernization, Belgian Minister of External Relations Leo Tindemans declared here this evening. He made the remarks at a dinner in honor of the visiting Chinese State Councillor and Foreign Minister Wu Xueqian in the Palais Egmont. Wu is here on the fifth lap of his current tour of nine European countries.

Tindemans said, "On international issues in general, Belgium and China have identical views. What concerns them first is to build a world of peace, where nuclear and conventional weapons are cut to the lowest possible level." He also noted that the support of the European Community and China for the 8-point peace proposal put forward by the three resistance forces of Democratic Kampuchea indicates that they all want to seek a political solution to the problem so as to make Kampuchea a non-aligned country of independence, peace and democracy.

The Chinese foreign minister in his toast expressed satisfaction with the rapidly expanding Sino-Belgium relations and the fruitful cooperation between the two countries in trade, sciences and technology. China has all along valued its relations with West European countries and regarded it as an important link in China's foreign policy. China and Europe share identical interests and have the same desire for a lasting peace and the furtherance of cooperation in the economic fields, Wu Xueqian pointed out. Belgian Secretary of State for Foreign Trade Etienne Knoops and Chinese Ambassador to Belgium Liu Shan also attended the dinner tonight.

#### EUROPEAN PARLIAMENTARIANS CONTINUE VISIT

Meet Zhang Jingfu

OW211658 Beijing XINHUA in English 1543 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- Chinese State Councillor Zhang Jingfu called for European Community (E.C.) member countries to take a more open attitude toward China in technology transfer here today. At a meeting with a European Parliamentary delegation for relations with China, Zhang said one of the important ways for European Community countries to compete in the Chinese market is to transfer advanced technologies to China. He expressed his appreciation of the policy of Belgium, France, Federal Germany and other countries to combine technological transfer with trade by way of providing advanced technology to China in some projects. Zhang hoped the E.C. would follow suit to expand cooperation between the two sides. He also expressed his hope for the adoption of the method of combining import with export, and that the European Community would give more favorable terms for Chinese products to be exported to the E.C. This would be conducive to the trade balance and enhance China's payment ability for E.C. exports to China.

He promised that China would improve the quality of its products and manufacture suitable varieties of goods for Europe. The Chinese state councillor described China, the other Third World countries and the E.C. as important factors to ensure world peace and stability. He stressed that the cooperation between China and the E.C. is of great significance for safeguarding world peace. Earlier, the China-European parliament friendship group of China's National People Congress gave a luncheon for the delegation.

Host Return Banquet

OW211700 Beijing XINHUA in English 1554 GMT 21 May 86

[Text] Beijing, May 21 (XINHUA) -- European Parliament delegation for relations with China gave a return banquet here this evening. Among guests present were Chu Tunan, vice-chairman of the Standing Committee of the National People's Congress (NPC), Zeng Tao, Sun Jingwen and Peng Qingyuan, members of the NPC Standing Committee. Delegation leader Enzo Bettiza said that the delegation's visit has strengthened the relations between European Parliament and NPC, which is very important to cooperation between the two parliaments and between executive body of the E.C. and its member countries with China.

Chu said the two days' talks and meetings with the delegation have shown that the two sides share common and similar views on many issues, which provides a solid foundation for the friendly cooperation between China and the E.C., and between the NPC and European Parliament. The delegation will leave Beijing tomorrow to tour other parts of China.



ROMANIAN PRESIDENT MEETS WITH SONG PING

OW200200 Beijing XINHUA in English 0147 GMT 20 May 86

[Text] Bucharest, May 19 (XINHUA) -- Romanian President Nicolae Ceausescu today stressed that no efforts should be spared in disarmament, especially nuclear disarmament so as to safeguard world peace. He made the remarks during his meeting with Song Ping, the visiting Chinese state councillor and chairman of China's State Planning Committee. "We shared common standpoints and held identical views on basic problems," said the president while praising the close cooperation between China and Romania in dealing with international problems.

Ceausescu expressed his satisfaction with the friendly relationship of cooperation between the two countries, two peoples and the two communist parties and hoped to continue such relations comprehensively in various fields. In view of the friendly cooperation between the two countries and the understanding reached between the leaders, the cooperation between the two countries' planning committees was very important, Ceausescu said, adding that Song's first visit to Romania was a good beginning.

POLAND, PRC SIGN SCIENTIFIC-TECHNICAL ACCORD

OW171857 Beijing XINHUA in English 1422 GMT 17 May 86

[Text] Warsaw, May 17 (XINHUA) -- Poland and China today signed a scientific and technological cooperation program for 1986-1990, the first of its kind ever signed between the two countries. The document stipulates that, as the first step, Poland and China should formulate and implement major scientific-technical cooperation projects of mutual interest, in the fields of mining, power, machine-building, electronics, metallurgy, chemistry, telecommunications, transport, marine economics, shipbuilding, agriculture and food-processing industry, and China's "sparkling plan," a blueprint made by the Chinese State Science and Technology Commission. The "sparkling plan," covering 24 major fields, is designed to apply advanced technologies to the development of local economies.

Poland has expressed its readiness to help in carrying out the plan. The Chinese-Polish cooperation program was signed here by Song Jian, Chinese state councillor and minister in charge of the State Science and Technology Commission, and his Polish counterpart Zbigniew Szalajda, who is also vice-premier. Song Jian is on a visit here at the head of a Chinese science and technology delegation.

QIAO SHI MEETS POLISH COOPERATIVES' DELEGATION

OW221452 Beijing XINHUA in English 1424 GMT 22 May 86

[Text] Beijing, May 22 (XINHUA) -- Chinese Vice-Premier Qiao Shi met with a delegation from the Central Union of Peasants' Self-Aid Cooperatives of Poland led by its President Jan Kaminski here today. During the meeting, Qiao and Kaminski expressed their belief that the delegation's visit would help develop friendly cooperation between Chinese and Polish cooperatives.



SON OF TUNISIAN PRESIDENT BOURGUIBA VISITS PRC

## Meets Xi Zhongxun

OW171021 Beijing XINHUA in English 1001 GMT 17 May 86

[Text] Beijing, May 17 (XINHUA) -- Xi Zhongxun, member of the Political Bureau of the Chinese Communist party (CPC) Central Committee, met here today with Habib Bourguiba Junior, son of President Habib Bourguiba and member of the Political Bureau of the Socialist Destour Party of Tunisia. They expressed satisfaction with the growth of friendship and cooperation between the CPC and the Tunisian party since they established relations in 1979. The Tunisian guest arrived here May 15 as guest of the Chinese Foreign Ministry. He will leave here for a tour of other parts of China tomorrow.

## Exchanges Views With Zhao

OW171724 Beijing XINHUA in English 1450 GMT 17 May 86

[Text] Beijing, May 17 (XINHUA) -- Premier Zhao Ziyang said here today that a chemical fertilizer company to be jointly run by China, Tunisia and Kuwait was a very good form of South-South cooperation. Zhao made this remark at a meeting with Habib Bourguiba Junior, son of Tunisian President Habib Bourguiba, this afternoon at Zhongnanhai. Zhao said the project indicated broad prospects for South-South cooperation. "We believe that through the joint efforts of the three countries, the project will surely be a success," he added.

Bourguiba Junior said Tunisia was proud of being able to participate in the proposed project in Qinhuangdao, adding that such kind of cooperation would help promote the economic development of the three countries. He noted that the developing countries in the south should strengthen cooperation, instead of relying on the developed countries in the north. Of course, South-South cooperation doesn't mean closed-door policy, he added.

Premier Zhao said South-South cooperation should be combined with South-North dialogue. "Once South-South cooperation works well, it can promote South-North dialogue," he noted. Recalling the development of Sino-Tunisian friendship, he said the joint communique on the establishment of diplomatic ties between China and Tunisia signed by the late Chinese Premier Zhou Enlai and President Bourguiba in 1964 laid a solid foundation for the relations of the two countries. The Chinese Government was satisfied with the development of the friendly relations and attached great importance to the expansion of economic and technological cooperation with Tunisia, he said.

Bourguiba Junior said Tunisia was happy to have such good relations of cooperation with China. Premier Zhao praised Tunisia for its neutral and non-aligned policy and its contributions to strengthening the unity of countries in Al-Maghreb region and the Arab world. Zhao also spoke highly of Tunisia's support to the just struggle of the Palestinian people as well as the achievements scored by the Tunisian people in their economic construction.

I. 23 May 86

I 2

PRC INTERNATIONAL AFFAIRS  
MIDDLE EAST & AFRICA

KUWAIT PLANS TO INVEST IN PRC, USSR

OW181440 Beijing XINHUA in English 1409 GMT 18 May 86

[Text] Kuwait, May 18 (XINHUA) -- Kuwaiti Minister of Finance and Economy Jasim al-Khurafi declared today that Kuwait is going to direct her investment to China and the Soviet Union. In an interview with Kuwaiti daily "AL-QABAS", Al-Khurafi said that the aim of such a trend is to diversify Kuwaiti investment and expand its geographical presence.

Kuwait will realize effective profits by investing petro-dollars in the Soviet Union and China, he said, adding that this, however, does not mean withdrawing Kuwaiti investment from the West. The idea is to expand the area in which Kuwaiti funds are invested in order to reduce risks and to seek better revenue, the minister explained.

On the possibility of refraining from investing in the U.S., the minister said that the U.S. dollar has its own magnetism and provides high interest rate in addition to strong links to the other major currencies. "This, however, does not mean minimizing the significance of the new directions to which our investments are being channeled," the minister pointed out. Al-Khurafi told the National Assembly last week that Kuwait is drawing up plans to seek investment for Kuwaiti funds in China, India, the Soviet Union, Turkey and some other countries.

XINHUA ANALYZES POTENTIAL SYRIAN-ISRAELI CONFLICT

OW170154 Beijing XINHUA in English 0133 GMT 17 May 86

["News analysis: Behind Israel's War Cry Against Syria (Y Wang Lianzhi)" -- XINHUA headline]

[Text] Beijing, May 16 (XINHUA) -- A fresh round of armed conflict between Israel and Syria seems to be imminent as Israel is intensifying its military buildup along its border with Lebanon, sending large quantities of tanks, artillery and armored vehicles there. Since last December when Syria moved its anti-air missiles into Lebanon, tension between Israel and Syria has been escalating. Recently, Israeli leaders have threatened to attack Syria on the pretext that Syria supports terrorism, forcing Syria to put its armed forces on an all-round alert.

On April 23, shortly after the second U.S. air raid on Libya, U.S. President Ronald Reagan declared that his country would take "similar actions" against Syria and Iran if "irrefutable evidence" of their involvement in terrorist activities is available to his government. However, though the U.S. Government has repeatedly censured Syria's "assistance" to terrorism, it has not yet decided if it would take actions against the country similar to those against Libya. And there are a number of reasons for the indecision.

First, a U.S. raid on Syria may incur the danger of direct confrontation between the United States and the Soviet Union as Syria is linked with the latter by a treaty of friendly cooperation.

Second, Syria has far more advanced Soviet-made weapons than Libya. The losses to be suffered in an air raid on the country may be much greater than those on Libya.

Third, the United States has diplomatic relations with Syria. It would not be in its interests for the Reagan administration to keep Syria from the Arab-Israeli peace process. Moreover, it does not want to see the U.S.-Arab relations deteriorate and get out of control.

But the Reagan administration's war cries, as the British "FINANCIAL TIMES" pointed out, were a great encouragement to Israel.

Yitzhaq Rabin, Israel's minister of defense, arrived in Washington on May 6, to have secret discussions with American officials and claimed at several occasions that Israel had already got evidence of Syria's involvement in placing explosives on an Israeli airliner at London's Heathrow Airport on April 17. Upon his return home, he claimed at the Tel Aviv airport that Israel will start an all-round war against terrorism. But, "anti-terrorism" is in fact a newly-created pretext by Israel to pursue policies of aggression and expansion against its neighboring Arab countries.

Early in the year, while the U.S. fleet was threatening Libya from the Gulf of Sidra, Israeli Premier Shimon Peres declared that Israeli troops should by no means keep the Israeli-Syrian frontline quiet, and Rabin described Syria as the only Arab country which poses a direct threat to Israel. The terrorism charges proved to be groundless. The reason that Israeli leaders raised the war cry is that Syria has noticeably increased its military power since 1982.

The Syrian Armed Forces now boast some 400,000 soldiers, 4,600 tanks, 4,000 artillery batteries and 650 jet fighters. They have also been equipped with Soviet-made SAM-5, SAM-10, and SAM-11 anti-aircraft missiles and SS-21 medium-range ground-to-ground missiles.

In comparison, Israel has 3,500 tanks, 2,500 artillery batteries and 800 jet fighters, and its armed forces have only 170,000 soldiers, though they could be expanded to 450,000 within three days by emergency mobilization. In such a situation, some strategists have proposed Israel make a blitz as soon as possible to destroy the increasing Syrian military power, at least part of it. Only through this way, they believed, could Israel strengthen its forces which were weakened in the Lebanese war, and secure domination over the Middle East. Hence, people can see clearly the true intention of any possible Israeli attack on Syria.

The Israeli Government will be reshuffled in October when power is transferred to the ultra-right Likud group which is known for its intransigence toward the Arab world. Therefore, how the Arab-Israeli conflict will develop is still hard to predict. But Israel's war cry against Syria and its military buildup along its border with Lebanon have aroused concern in the Middle East and elsewhere.



OFFICIALS DETAIL EARLY SATELLITE LAUNCHING PROBLEMS

HK230328 Hong Kong AFP in English 0324 GMT 23 May 86

[Text] Beijing, May 23 (AFP) -- Officials here have revealed the difficulties encountered in early tests of the Long March rockets China is now marketing internationally as satellite launch vehicles. These included the explosion of a two-stage Long March Two and its satellite cargo in 1974, and the inability of the first three-stage Long March Three in 1984 to put a satellite into geostationary orbit -- movement at the same speed as the earth's rotation.

Officials of the firm selling the rockets, China Great Wall, spoke to reporters here Thursday. "In the past, we weren't very open and there was mis-reporting about China's launch program, so they (foreign firms) didn't understand very well our capability," said Chen Shouchun, a senior engineer and rocket expert. Causes of both mishaps had been discovered quickly and foreign satellite firms that examined China's recent launches were now confident in its ability to place satellites in near-earth and geostationary orbits, he said.

Early difficulties described by Mr Chen included the explosion, 20 seconds after launch, of a Long March Two that had begun to waver from its course because a wire connected to the gyroscope had come loose. Debris from the rocket, a mere 200 metres (640 feet) on an inclined course away from the launch pad when it detonated, destroyed public toilets below but caused no casualties and no other damage, Mr Chen said.

A Western diplomat among the handful of foreigners recently permitted to visit Xichang, the southernmost of China's two launch sites in southwestern Sichuan Province, said they were shown control rooms heavily fortified "like bunkers" but had not been told of any mishaps.

Mr Chen said the second mishap occurred during the "partially successful" trial launch of the Long March Three which was unable to put its satellite into position because engines meant to boost the rocket from near-earth to geostationary orbit fired improperly. The satellite remained in near-earth orbit and was used in experiments for a year, he said.

Both problems were quickly corrected, with technicians discovering the fault in the Long March Three and successfully launching China's first geostationary satellite just 70 days after the first attempt, Mr Chen said.

China Great Wall announced it was marketing launch services last October. It has signed two letters of intent -- with Sweden for a near-earth telecommunications satellite, and with a U.S. firm for two geostationary telecommunications satellites retrieved by a space shuttle from faulty orbits.

China has launched 19 satellites, two of them geostationary, since 1970. Great Wall officials said they intended to price their launch services 10 to 15 percent below international rates of about 30 million dollars per launch, and expected to have their first commercial launch in October 1987.

PLA CHIEF YANG DEZHI RETURNS TO BEIJING 22 MAY

OW221556 Beijing XINHUA in English 1451 GMT 22 May 86

[Text] Beijing, May 22 (XINHUA) -- Yang Dezhi, chief of the General Staff of the Chinese People's Liberation Army (PLA), and his party returned here this evening via Japan from a visit to the United States.

Greeting him at the airport were State Councillor and Minister of Defense Zhang Aiping, director of the General Logistics Department of the PLA Hong Xuezhong and diplomatic officials of the U.S., Japanese and French Embassies in Beijing.

### THREE PEOPLE ARRESTED IN BEIJING FOR PROFITEERING

OW221722 Beijing XINHUA in English 1483 GMT 22 May 86

[Text] Beijing, May 22 (XINHUA) -- Three people in Beijing have been arrested for involvement in a profiteering racket amounting to 28 million yuan.

They were said to have engaged in illegally reselling foreign currencies, cars, steel and color TV sets. They worked for the corporation of State Farms combining Agriculture, Industry and Commerce, which is attached to the Ministry of Agriculture, Animal Husbandry and Fisheries.

The scandal has seriously harmed the state financial and market order and hampered the country's economic reform, according to the Central Commission for Discipline Inspection of the Communist Party of China and the Supreme People's Procuratorate, which undertook to investigate the case.

According to the investigation report, former deputy general manager of the corporation Wang Ying, and two other employees -- Yang Youli and Lan Yutian -- cheated the state foreign exchange control departments into allowing them to import parts of TV sets for assembly. Under this disguise, they managed to collect 55.4 million U.S. dollars, and made a profit of 12.29 million yuan out of buying and reselling it.

In July 1984, Yang Yu, corporation general manager, approved an application from these three for importing cars under the name of the Ministry of Agriculture. They were then allowed to buy 700 Japanese cars for the use by the ministry. Despite the state regulations prohibiting reselling imported cars for profit, they sold the cars and made an additional 15.77 million yuan in profit.

One month earlier, Yang Youli bought 4,000 tons of steel from a foreign trade company in Beijing, saying it was urgently needed by state farms for construction and production. The steel was then sold to enterprises in Hebei Province at a hefty profit.

Zhao Fan, an ex-member of the party leading group of the ministry, is accused of neglect of duty. Without the permission of the group, he signed four applications for raising foreign exchange for importing cars, motorcycles, color TV sets and a large amount of other goods.

Zhao Fan, Yang Yu and another official are accused of having committed serious bureaucratic mistakes. They received a grave warning from their party organization, with the approval of the Central Discipline Inspection Commission. The party leading group of the ministry also made self-criticism for overlooking the profiteering activities within the ministry.

### RENMIN RIBAO Commentator's Article

HK230858 Beijing RENMIN RIBAO in Chinese 23 May 86 p 1

[Commentator's article: "State-run Companies Should Take the Lead in Observing Discipline and Law"]

[Text] This newspaper today published a report on an economic crime case perpetrated by some personnel of the Corporation of State Farms Combining Agriculture, Industry, and Commerce, which is attached to the Ministry of Agriculture, Animal Husbandry and

Fisheries. It is serious and major case of profiteering in resale of foreign exchange, automobiles, rolled steel, color television sets, and other materials. It happened in a state-run land reclamation enterprise, which is an economic entity, with exchanges of official correspondence stamped with official seals and inscribed with official instructions. The resales were primarily handled and approved by state functionaries.

A distinguishing feature of the case is the use of the name of a state-run company, some leading cadres' bureaucracy, and fraud to "legalize" illegal operations. The perpetrators fabricated justifications to obtain foreign exchange illegally and grabbed a huge amount of illegal income from profiteering in reselling a large quantity of materials, including automobiles imported in the name of the Ministry of Agriculture, Animal Husbandry, and Fisheries. They have caused serious losses to the state.

In our country, and organizations or individuals engaging in business operations, particularly state-run companies, must observe discipline and law and work for the development of socialist commodity economy. It is entirely justifiable for enterprises to stress economic benefits and use legitimate means to increase profits. However, it is absolutely impermissible to grab "ill-gotten gains" or "illegitimate income" in violation of the party's policies and the state's laws and regulations. In the last few years our country's economic life has become unprecedentedly vigorous because of the policy of opening to the outside world and invigorating the domestic economy. Our current policies still cannot draw specific lines of demarcation on some questions, and some of our economic legislation needs to be further improved. However, in major aspects and some basic principles, it is not at all difficult to distinguish between legality and illegality. Those of the Corporation of State Farms who are directly involved in the case have indeed committed crimes no matter what excuses they have. They entirely deserve the legal investigation and action that results from criminal activities.

The leading comrades of the Ministry of Agriculture, Animal Husbandry, and Fisheries neglected their duties, as evidenced by the fact that the serious crimes committed by some personnel of the Corporation of State Farms escaped their attention for a very long time. A member of the leading party group of the ministry with important leading responsibility has been punished according to party discipline. The punishment, as a means to prevent future mistakes, is very necessary. Our leading organs and leading cadres should fully know the arduousness and complexity of shifting from the old to a new structure, should do their work well, should firmly promote reforms, and should solve problems in the course of shifting from the old to the new structure. Leading organs and leading cadres should create the cadres of subordinate units to not be blinded by lust for gain or to use loopholes during the shift from the old to the new structure to seek illegitimate interests for themselves or their organizations. In particular, leading organs and leading cadres should maintain a high degree of vigilance to prevent lawless individuals from committing such crimes as speculation, profiteering, embezzlement, theft, bribery, fraud, smuggling, and selling smuggled goods under the present situation, and to prevent them from succeeding in their crimes.

While implementing the economic policy of opening to the outside world and invigorating the domestic economy, it is necessary to emphasize the solemnity of discipline and law; otherwise, there will be no guarantee for opening to the outside world and invigorating the domestic economy. State-run companies should set strict demands for themselves and play an exemplary leading role in observing discipline and law. The investigation and handling of the case of the Corporation of State Farms has sounded an alarm bell. State organs and state-run companies should duly draw a lesson from the case.



ECONOMIC COMMISSION CONDUCTS QUALITY SPOT CHECKS

OW212355 Beijing XINHUA Domestic Service in Chinese 1152 GMT 21 May 86

[By RENMIN RIBAO reporter Li Wen and XINHUA reporter Li Anding]

[Excerpts] Beijing, 21 May (XINHUA) -- The State Economic Commission issued Public Notice No 5 today concerning spot checks on product quality. It pointed out: All kilowatt-hour meters, power transformers, pneumatic coal picks, and industrial grade sulphuric acid produced are up to standard. However, products such as electric blankets, relief printing paper, short polyester fiber, and tape recorders are fairly poor in quality. We need to improve the quality of these products.

The announcement of this public notice is the result of a spot check of 20 categories of product during the first quarter of this year. A spot check of 464 products from 345 enterprises reveals that 34.7 percent of the products checked have failed to meet the standards.

In the spot check, the quality of electric blankets is the worst. Only 11.6 percent of the 43 blankets produced by 27 enterprises reached the state standard. The electric blankets produced by the Yongji Insulated Tubing Factory in Jilin are unsafe. They failed to pass the tests in electrical resistance, leakage, or insulation. The State Economic Commission has ordered this factory to stop production and sales immediately.

Only 36 percent of the short polyester fiber samples met standards in a spot check. The products from the Fushun Polyester Factory and the Siping Synthetic Fiber Plant in Jilin are of high quality, while the products from nine other enterprises are comparatively poor in quality.

In its circular attached to the public notice, the State Economic Commission pointed out: Various localities must reward directors of those factories which have passed repeated spot checks or those factories which have failed to pass spot checks in the past, but have passed the spot check in the first quarter of this year after correcting errors and carrying out reforms. Directors of those factories which have failed to pass spot checks in the first quarter of this year must be seriously dealt with and called to account to pin down the responsibility in turning out inferior products. Disciplinary measures must be taken against such factory directors. Those factory directors who pay little attention to product quality and refuse to earnestly correct their errors and carry out reforms must be resolutely relieved from their posts.

LIAOWANG ON RESONSIBILITY OF YOUNG CADRES

HK220308 Beijing LIAOWANG in Chinese No 19, 12 May 86 p 4

[Commentator's article: "Great Trust and Heavy Responsibility"]

[Text] When talking recently to some cadres at the grass-roots level, Comrade Hu Yaobang said that great changes have taken place in our country over the past few years and an excellent situation has emerged in our country. The excellent situation has been brought about mainly by implementing correct policies and promoting a large number of young and middle-aged cadres who are in their prime.

Since the implementation of correct policies is obvious to all, there is no need to say anything more on it. However, since the significance of promoting a large number of young and middle-aged cadres who are in their prime is not yet understood by all the comrades, we should pay attention to this question.

Since the CPC Central Committee put forward that the contingent of cadres must realize the "four transformations" -- revolutionary, younger, knowledgeable, and professional -- over 2 million younger cadres have assumed leading posts at various levels and 2 or 3 million veteran cadres have retired from leading posts at various levels over the past few years. The smooth replacement of veteran cadres by younger cadres is an amazing achievement! Its profound significance has also been acknowledged by some foresighted politicians in foreign countries, who praised it as "a remarkable success." We can clearly see three aspects of this success: 1. The work of leadership is now full of vigor and vitality; 2. The continuity and stability of our party's correct line and general and specific policies have been guaranteed; 3. Fresh experience have been created for the construction of the contingent of cadres, replacement of veteran cadres by younger cadres, and cooperation between veteran cadres and younger cadres in the future. Some foreigners and even some Chinese are worried or have doubts about the continuity and stability of China's policies and reform strategy. That over 2 million younger cadres have recently been appointed to leading posts at various levels and will continue to carry out our party's correct policies and reform strategy is the most convincing reply.

Now that a large number of young and middle-aged cadres have assumed leading posts, the people place high hopes on them and greatly trust them. The reason is that they will lead the people toward the year 2000 and lead them to realize the grand goal of modernizing China. So, we can say that they are shouldering heavy responsibilities. If, during the Sixth 5-Year Plan period, our party relied mainly on veteran cadres to bring order out of chaos and create a relatively good situation, then during the Seventh 5-Year Plan period and even during the Eighth 5-Year Plan period, our party will rely mainly on the newly formed leading bodies and young and middle-aged cadres to open up new prospects. When talking to the cadres of Hebei Province, Comrade Hu Yaobang said that during the Sixth 5-Year Plan period, things were decided mainly by the central authorities, so all the people just waited for the central authorities to make decisions; however, during the Seventh 5-Year Plan period from 1986 to 1990, the people of the whole country will look to you -- look at the provinces, cities, prefectures, counties, and townships -- to see how the new leading bodies will carry out the general and specific policies decided by the central authorities in a creative way!

Comrade Hu Yaobang's remarks are sincere, earnest, and true to the fact.

How to assess the work done by the young and middle-aged cadres who have recently assumed leading posts? How should the new leading bodies set strict demands on themselves? There are many measures for us to adopt, of which the following two are probably the most important.

First, opening up a new prospect. Successful realization of the Sixth 5-Year Plan has laid a good foundation for the development of various aspects of our country; the Seventh 5-Year Plan has provided the orientation and the framework so that we now have the prerequisite. However, the central authorities have made the policies in compliance with the overall situation across the country.

Since China is a big country and the situation differs from place to place and from trade to trade, it is impossible for the central authorities to make concrete and detailed decisions on all questions. Thus, the leading bodies of various localities and departments should act in line with their actual situations and create fresh experiences and measures to carry out the general and specific policies of the central authorities. They should do at least two things: 1. Carry out investigation and study. Only when the situation is clear can we make correct decisions; 2. Seek truth from facts. Do not try to please the public with claptrap, but try to be practical and realistic and do things according to the actual situation. By doing these two things, being bold and cautious, making decisions once we are certain of success, and making unremitting efforts, we will surely open up a new prospect and promote the continued development of all things. If "no changes have taken place" after a new leading body has existed for 1, 2, or 3 years, we should find out where things have gone wrong. The people will also have the right to ask: What the hell are you doing there?

Second, stressing party spirit: All party members and cadres, especially leading cadres, must adhere to the party spirit and principle, which means that they must adhere to the four cardinal principles and serve the people wholeheartedly. The sole basic purpose of the communists in doing things is to serve the people, be responsible to the people, and value the interests of the people above all else. If we do things in this way, the people will certainly support and trust us, all difficulties will surely be overcome, our cause will greatly develop, and a new situation will soon emerge. On the other hand, if we do not do things this way, but instead proceed from personal relations, give undue consideration to a minority of people regardless of principles, encroach on the interest of the state and the majority of the people, and even do things that deviate from party policies or violate the party's fundamental aim, run counter to the fair, just, and selfless quality of party members and cadres, and violate the party's discipline and principle, the people will certainly not support us, and we will certainly accomplish no great cause.

A veteran comrade said he was pleased to see so many black-haired heads at the meeting. Although his remarks were very simple, they show that the old generation is happy to see so many successors to the revolutionary cause and trust their successors. His remarks also show that great changes have taken place in our cadres' contingent. Over 2 million cadres who are in their prime are now active in leading posts at various levels on various fronts. This new situation shows that today's China is flourishing and thriving. Owing to the lack of experience and, sometimes, insufficient consideration, the new cadres will inevitably make mistakes, do stupid things, or do things without thought. The veteran cadres should understand, show concern for, and support the new cadres and should not hurt their spirit. The new cadres should make unremitting efforts to improve themselves, always bear in mind their heavy responsibility and the trust of the people, and be determined to open up a new prospect during the Seventh 5-Year Plan period with a new style and a new manner. Such a prospect stands a very good chance of success.

#### WENZHAI BAO VIEWS EFFECTS OF THREE GORGES PROJECT

HK200927 Beijing WENZHAI BAO in Chinese No 311, 11 May 86 p 3

[Report: "KEXUE BAO Publishes Articles Discussing Three Gorges Project"]

[Text] Since 26 April KEXUE BAO has selectively published articles by scientific and technological personnel discussing the three gorges project.



In his article, Luo Bingzhen, an associate research fellow of the Ocean Research Institute of the Chinese Academy of Sciences, believes that the lower reaches and delta areas of the Chang Jiang are the most developed areas in China in communications, transport, economy, industry, agriculture, and fishery. The river mouth, where salt water joins river water, is a place for economic organisms to live and breed. For this reason, while studying the influence of the three gorges project on ecology and the environment, attention should be paid to the influence of the project on the river mouth area.

In his article of 3 May, Hou Xueyu, a member of a department of the Chinese Academy of Sciences believes that the three gorges dam, which is a great project for transforming the water of the Chang Jiang, will inevitably result in chain reactions in ecology, environment, and the resources of the whole Chang Jiang valley. In order to properly use the funds for building the "four modernizations" and to benefit our descendants, we must adopt a scientific attitude and never repeat the previous mistake of "taking action before reaching a conclusion."

#### 1. The Ecology, Environment, and Resources of the Reservoir Area

The location of the three gorges project is the so called "land of abundance" in China. After completion of the project, some hundred thousand mu of relatively fertile alluvial soil and unrivalled purple hilly land, abundant in phosphorus and potassium, along the Chang Jiang will be inundated. This will inflict heavy losses to areas which produce grain, fine-quality organs, and other subtropical economic crops such as tung tree, Chinese taro tree, and mulberry. The project will inundate 10-20 counties (cities), including arable land, houses, factories, and power stations, and result in the migration of several hundred thousand to one million people. The heavy losses resulting from the inundation will be unmatched in any other of the world's large reservoirs. The reservoir will also inundate many major cultural relics, historical sites, and scenic spots. In addition, due to a complicated geological structure, the completion of the dam will probably lead to a catastrophic earthquake. Once war breaks out, the three gorges project will become the enemy's major target, which we must by no means ignore.

#### 2. The Ecology, Environment, and Resources in the Upper Reaches of the Reservoir Area

Soil erosion will shorten the life of the reservoir, and silt deposits will upgrade the position of the riverbed and inevitably harm water transportation in the upper reaches of the reservoir. There is only one exit in the Chang Jiang for the enormous water from the upper reaches of the three gorges to pass through. In case there are big floods, not only the middle and lower reaches areas will eventually be inundated, but the backwater from the big dam will also move to the basins to inundate the areas of Chongqing and Hechuan.

There are some 80 kinds of fish in the upper reaches of the Chang Jiang, and most of the fish have the habits and characteristics of rapid water dwellers. The completion of the dams will result in a drop in the number of these fish. As the water moves more slowly, the self-cleaning capability of polluted water will be weakened and there will be more pollutants in the Chang Jiang.

#### 3. The Ecology, Environment, and Resources in the Middle and Lower Reaches of the Reservoir Area

The three gorges project will play a limited role in preventing and resisting floods in low-lying land in Jingjiang, but will affect the growth of migrating fish in the middle and lower reaches of the reservoir area. Adjusting the stored water of the reservoir annually will result in the resistance of run-off tidal currents. This will strengthen the eroding capability of sea water, jeopardize the safety of seawalls, and harm water navigation.

GUOJI SHANGBAO ON LABOR SERVICES TRADE

HK200752 Beijing GUOJI SHANGBAO in Chinese 8 May 86 p 4

[Article by Xiao Haiquan: "Labor Services Trade and Economic Development"]

[Text] The volume of the world's labor services trade is considerably great currently, accounting for one-fourth of the total volume of world trade. Based on an estimate by the Invisible Commodities Committee, London, the growth rate of the world's labor services trade exceeded the commodity trade in the first 6 months in 1979. Labor services have been regarded as "a new realm for expanding export marketing," as well as the "second battlefield for export trade." Labor services is also known as "one of the several economic pillars in the world." The important position of labor services can be well understood when it is given such stress. But what are the effects of the flow of labor forces on a worldwide scale on the economic development of various nations?

The import of labor forces has brought many advantages to labor services import countries. The import of labor services may help mend the shortage of labor forces (heavy manual labor in particular) for developed capitalist countries. At the same time, cheap foreign labor forces may be used to threaten the workers' employment, in order to reap greater profits while saving the expenditures for training the laborers. For example, between 1953 and 1973, the FRG would have spent \$33 billion on training the same number of its own workers as foreign workers, but the remittance of foreign workers during the same period was only \$8.8 billion. The inflow of foreign intellectuals to the United States plays an important role in the U.S. development of science, technology and economy. Since the Persian Gulf nations began importing a huge volume of labor forces, their national economic development has greatly enhanced. Foreign workers have not only helped these nations build a large number of projects, but also played an important role in industrial production and management. Despite the fact that the influx of a large number of foreign labor forces has brought about some difficulties in housing, communications, prices, and catering, foreign labor forces have become an indispensable force in the economic construction of these countries.

To labor forces exporting countries, the advantages of labor services export primarily lies in greater income in foreign exchange, a balance in international revenues and expenditures, and covering the foreign trade deficit. In 1980, the income in foreign exchange derived from labor services export of developing nations was \$17.5 billion, of which, South Asia accounted for more than \$3 billion, and the Middle East and North African region more than \$5 billion. In 1978, the volume of remittance from overseas Egyptians was \$956 million, 60 percent more than the income derived from the tourist industries. Pakistan brought in an income of \$2.1 billion worth in foreign exchange derived from labor services export, almost an equal of the income derived from commodity export in 1981. In 1978, South Korea imported oil from the Middle East, its expenditures in foreign exchange were far less than its income in foreign exchange derived from its contracted projects in the Middle East. Second, the export of labor services has the advantage of relaxing unemployment and expanding employment.

In the Philippines, which has a rather high unemployment rate, around 400,000 people need work arrangements on an annual basis; however, only about 300,000 jobs can be provided at home. This country has exported an accumulated labor force numbering 1.3 million people to 103 countries over the years. In 1981, every one of five newly employed in the Philippines got his position abroad. Third, foreign advanced technologies can be learned. Hundreds of thousands of Yugoslavians are working abroad, of whom, two-thirds were non-skilled laborers, but now they have gradually become skilled workers. And fourth, it will bring along commodity exports. Through contracting construction projects in the Middle East, South Korea has continuously exported various categories of commodities related with contracted projects to the Middle East, such as trucks, complete sets of equipment, electrical appliances, and textile products. South Korea's export volume to the Middle East rose drastically from \$10 million in 1971 to \$2.4 billion in 1978.

Developing labor services export and contracting engineering projects is a component part of China's opening to the world. China has signed more than 2,300 contracts on rendering labor services to 73 countries and regions between January 1979 and June 1985, involving an accumulated sum of more than \$4.6 billion. More than 50,000 people were involved in labor services abroad in 1985. China has realized certain accomplishments in labor services cooperation abroad; however, regarding the number of people sent abroad and the volume of transactions, the proportions are rather small in the world market. For China's socialist modernization, it is necessary to strengthen research on the world market for labor services, to bring into full play the advantages of our rich manpower resources, to open up new markets, and to continue to unfold co-operation in labor services with foreign countries in a big way.

#### MORE STUDENTS TO STUDY ABROAD IN 5 YEARS

OW141208 Beijing XINHUA in English 1141 GMT 14 May 86

[Text] Beijing, May 14 (XINHUA) -- The number of state-funded students going abroad in the next five years is likely to remain at roughly the same level as in recent years, a State Education Commission meeting here was told.

But the overall number will increase because local authorities are encouraged to exchange students with other countries and to raise funds to send people to study abroad, said a report of the meeting.

Over the past seven years, more than 30,000 government-funded students have studied abroad about twice the number for the first 17 years after liberation. And another 8,000 students have supported themselves overseas since the end of 1978. The report said that in view of the expansion of higher education in China, more students would be sent to study for doctorates abroad and fewer for masters' degrees.

The meeting, which ended on Tuesday, agreed that it was China's long-term policy to send people overseas to study with the aim of boosting the country's modernization drive. Guidelines worked out by the meeting stipulate that the practice of sending people abroad to study must serve the needs of the country's modernization. One important result must be a greater number of skilled scientists able to solve complex scientific and production problems.

The Education Commission plans to open new channels for sino-foreign co-operation on scientific research and on the training of Chinese students taking doctorates.



Students who obtain scholarships or other financial support in foreign exchange will also be included in the national program. The meeting called on national and local authorities to show the same concern for self-supporting students as for government-funded ones, and to assist them in the expense of returning to China and setting up home here upon graduation.

#### URBAN MILITIA WORK LINKED TO ECONOMIC REFORM

OW212339 Beijing XINHUA Domestic Service in Chinese 0732 GMT 21 May 86

[By reporter Cai Yumin]

[Excerpts] Beijing, 21 May (XINHUA) -- The National symposium on urban militia work held recently indicated that China is making headway in urban militia work while reforming its economic system. China is adapting its work on urban militia to its economic reforms and taking the path of strengthening the country's reserve forces for national defense.

With the continuous development of reform in the economic system in the cities over the past few year, new situations have arisen in urban militia work. Under the leadership of the local party committees, governments, and the military departments at the higher level, the various People's Armed Forces departments have carried out a series of reforms in their leadership system, work methods, education, and training programs for the urban militia. They have made work more compatible with the new situation in reforming the economic system in the cities and opened up a new path in strengthening the reserve forces for national defense.

Currently, a new situation prevails in national urban militia work. More and more cities and basic-level units regard their militia work as an task assigned by the state to the enterprises. They have integrated militia work in their management plan, and set up, and improved, the responsibility system for militia work.

In the course of reforming the economic system, many cities have organized and aroused the militiamen to take the lead in reforming the enterprises, participate in labor emulation drives, conduct scientific research, carry out innovations, and develop spiritual civilization. All such activities have not only helped the enterprises develop, but have also opened an even broader avenue in militia work.

#### DENG LIQUN, ZHU MUZHI AT PRESS CEREMONY

OW092048 Beijing XINHUA Domestic Service in Chinese 1335 GMT 9 May 86

[By reporter Zhang Baorui]

[Excerpts] Beijing, 9 May (XINHUA) -- How many newspapers and periodicals are published in China? The answer can be found from a national exhibition of newspapers and periodicals, which opened at the Museum of the Chinese Revolution in Beijing today. Currently there are over 6,000 newspapers and periodicals published at the country level or above throughout the country.

Deng Liqun, member of the Secretariat of the CPC Central Committee, cut the ribbon at the opening ceremony for the exhibition.

Attending the opening ceremony were also officials from departments concerned Zhu Muzhi, Guo Chaoren, Zeng Jianhui, Ma Zhongyang, and Li Yuanhao.

XI ZHONGXUN, OTHERS HONOR DECEASED LINGUIST

OW160224 Beijing XINHUA Domestic Service in Chinese 1350 GMT 14 May 86

[Excerpts] Beijing, 14 May (XINHUA) -- A ceremony to pay last respects to the remains of Comrade Wang Li, member of the Sixth National CPPCC Committee's Standing Committee, Beijing University professor and noted linguist, was held this afternoon at the auditorium of the Babaoshan Cemetery for Revolutionaries.

Professor Wang Li was a noted Chinese nonparty democratic figure. He died of illness in Beijing on 3 May 1986. He was 86. Before his death he had served as an adviser to the State Committee for Spoken and Written Language Work, honorary president of the China Linguistics Society, and honorary president of the China Society for the Study of Phonology.

Wreaths were sent by Zhao Ziyang, Deng Yingchao, Xi Zhongxun, Li Peng, Hu Qiaomu, Hu Qili, Deng Liqun, Wang Zhaoguo, Song Renqiong, Zhou Gucheng, and Yan Jici. Also sending wreaths were chairmen of the National CPPCC Committee, the Standing Committee of the National People's Congress, the State Council, the National CPPCC Committee, and the relevant central state organs.

To the strains of funeral music and wearing white flowers on their shirts, Comrades Xi Zhongxun, Hu Qili, Li Peng, Deng Liqun, Zhou Gucheng, Yang Jingren, Gan Changzhao, Zhou Peiyuan, Miao Yuntai, Qian Xuesheng, and Lei Jieqiong; responsible persons of departments concerned; representatives of teachers, students, and other employees of Beijing University; and people of various circles stood in salute silent to this outstanding Chinese linguist, educator, poet, and translator. They also extended sincere sympathy to his wife, Xia Weixia, and other relatives.

A number of foreign scholars and professors in Beijing also attended the ceremony.

XI ZHONGXUN SPEAKS AT TIBET CENTER OPENING

OW201719 Beijing XINHUA in English 1450 GMT 20 May 86

[Text] Beijing, May 20 (XINHUA) -- The inauguration today of a new research center to study the history, culture and sociology of Tibet was praised by a Chinese leader, Xi Zhongxun.

Xi, a member of the Political Bureau of the Chinese Communist Party Central Committee, noted that the inauguration was a major event for Tibetans and all Chinese, especially for Tibetan and Han scholars.

"The study of Tibet originates in China," he noted, adding that Tibetan research had become an independent branch of social science. Scholars should combine theoretical research with reality, with the building of a new Tibet and improving the life of Tibetans. He also called for academic exchanges with the outside world in Tibetan research.

Doje Cedain, former chairman of the Tibet Autonomous Regional People's Government, was elected director general of the research center. Doje suggested that the center will guide and coordinate national Tibetan research efforts, conduct research into key items, train scholars, collect literature and organize inter and external academic exchanges.

He welcomes patriotic Tibetan scholars residing abroad to cooperate with the center and also welcomes foreign researchers to work in China. The center will award masters and doctoral degrees to outstanding scholars both at home and abroad.

I. 23 May 86

K 12

CHINA  
PRC NATIONAL AFFAIRS

Present on the occasion were Chinese leaders Hu Qili, Ngapoi Ngawang Jigme, Bainqen Erdini Qoigyi Gyaincain, Zhou Gucheng and Yang Jingren.

XI ZHONGXUN SPEAKS ON HANDLING LETTERS, VISITORS

OW212313 Beijing XINHUA Domestic Service in Chinese 1043 GMT 21 May 86

[By reporters Zou Aiguo and Sun Yong]

[Excerpts] Beijing, 21 May (XINHUA) -- The national symposium on the work of handling written and oral complaints was held in Beijing from 15 to 21 May. Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, gave a speech at the symposium today. On behalf of the CPC Central Committee, he extended cordial greetings to those comrades who have worked hard in handling complaints. He said: Those who handle written and oral complaints have played a significant role in bringing about the stable and united political situation in China.

Comrade Hu Yaobang's views on the work of handling complaints were relayed at the symposium. He called on the party and government departments at all levels to regard the complaint handling as a important long-term task and give proper guidance to such work. Hu Yaobang pointed out: "It is extremely important for the ruling party to maintain regular ties with the masses, listen attentively to their voices, understand their aspirations, concern itself with their weal and woe, and satisfy their justified demands by properly treating the letters the people send in and the complaints they make when they call."

On the afternoon of 20 May, Xi Zhongxun, Yang Shangkun, Hu Qili, Qiao Shi, Peng Chong, and other comrades met with those attending the national symposium and the All-Army symposium on the work of handling written and oral complaints.

In today's speech, Xi Zhongxun emphatically pointed out: Letters from the masses and their personal calls constitute an important channel for the party to maintain ties with them. We should accept the supervision of the masses and do an even better job in promoting our revolutionary cause by properly dealing with the written and oral complaints of the masses.

During the symposium, representatives from various localities analyzed complaint handling, summed up and exchanged experiences in this respect, and discussed how to further improve work under the new situation.

The symposium was jointly sponsored by the General Office of the CPC Central Committee, the General Office of the NPC Standing Committee, and the General Office of the State Council. Attending were relevant responsible persons of the party committees of various provinces, autonomous regions, and municipalities directly under the central government; responsible comrades in charge of the work of handling written and oral complaints to the relevant departments under central and state organizations and the PLA General Political Department; as well as representatives of some cities, counties, and enterprises, totaling 200 people.

CIRCULAR URGES STABILIZING VEGETABLE PRICES

OW071354 Beijing XINHUA in English 1221 GMT 7 May 86

[Text] Beijing, May 7 (XINHUA) -- Vegetable prices should be stabilized throughout China, according to the State Administration of Commodity Prices.



I. 23 May 86

K 13

CHINA  
PRC NATIONAL AFFAIRS

The administration reprinted a proposal from the Liaoning provincial bureau office in a circular issued to all bureaus as a point of reference.

The proposal contains five points:

-- give attention to supervising the major seasonal vegetables prices.

-- punish those vendors who conduct hard purchasing and selling, sell shoddy goods or unethically raise vegetable prices at the fairs.

-- punish those who break the official price guidance regardless of whether it is a state-run, collective-run or privately-run business.

-- further propagate the state price policy and praise the policy enforcers and criticise the policy breakers through the media.

-- set up both professional and amateur price monitoring groups from different government departments.

#### WAN LI ATTENDS WU ZUOREN ART EXHIBIT

OW302148 Beijing XINHUA in English 1612 GMT 30 Apr 86

[Excerpts] Beijing, April 30 (XINHUA) -- An exhibition of art works by veteran Chinese painter Wu Zuoren, celebrating the 60th anniversary of his career, opened here today in the China art gallery.

On display are 241 pieces of painting, oil works and other artistic creations highlighting the renowned painter.

Present at today's opening ceremony were Wan Li and many other party and state leaders, as well as about 1,000 art lovers. Also attending were ambassadors and diplomatic envoys to China of many countries, including Britain, France, Italy, Australia, Switzerland and India. Sponsored by the Ministry of Culture and the Chinese Artists' Association, the one-man exhibition will run through May 14.

#### ULANHU RECEIVES CHIFENG CITY SONG, DANCE PERFORMERS

SK060103 Hohhot Nei Monggol Regional Service in Mandarin 1100 GMT 3 May 86

[Text] On the morning of 30 April, Ulanhu, vice president of the PRC, received some members of the Chifeng City national song and dance troupe, which came to Beijing for performances, as well as some responsible comrades of the pertinent departments of Chifeng City and Nei Monggol Region.

Vice President Ulanhu viewed with great interest the performances staged by this troupe, and then delivered a speech. In line with the national etiquette, comrades of the troupe presented a hada and good wine to Vice President Ulanhu. Then a performer of the troupe presented some self-made Mongolian musical instruments to Vice President Ulanhu. After a comrade of Chifeng City introduced the process of discovery and manufacturing of these ancient Mongolian musical instruments, Vice President Ulanhu said: The Mongolian musical instruments are full of distinctive national features.

It is work of great significance that you have discovered those neglected national instruments, and have improved and popularized them. In the future, you should continue to improve and popularize these instruments, and should pay attention to training competent players.

Ulanhu also said: Next year will be the 40th anniversary of the founding of the Nei Monggol Region. Over the past 40 years, the region has registered progress in the fields of economic construction, culture and art, education, and public health and the people's ideological and cultural competence has been raised. I hope that the Nei Monggol Region will vigorously grasp the building of the material and spiritual civilizations, and strive to enable the masses of Mongolian and other minority nationalities to rapidly end their poverty and become prosperous.

After the reception, Vice President Ulanhu posed for a photograph with some of the performers.

#### LABOR MINISTER STRESSES NEED TO CREATE NEW JOBS

OWO61051 Beijing XINHUA in English 0956 GMT 6 May 86

[Text] Beijing, May 6 (XINHUA) -- China faces the imposing task of creating at least 45 million urban jobs during the Seventh Five-Year Plan (1986-1990), compared with 35 million jobs created during the Sixth Five-Year Plan (1981-1985).

In addition, an estimated 100 million rural farmers may be pursuing jobs other than farming during the same period, although the government has adopted strict measures to prevent the influx of rural labor into the cities.

During the current national conference on labor and personnel affairs, Chinese officials estimate that jobs will need to be created for 30 million new entrants and 15 million employees who will become surplus labor at state-owned enterprises during the next five years.

These new workers will put fresh strains on urban employment, said the minister of labor and personnel, Zhao Dongyuan, in a report at the conference. The urban unemployment rate was lowered to 1.8 percent in 1985, compared with 4.9 percent in 1980, after 35 million jobs were created between 1981-1985.

In addition to the 45 million employees to be placed in new jobs, Zhao noted that more and more workers are seeking their own job opportunities following the reforms in the economic structure and labor system. Moreover, factories need better qualified workers in the future.

According to the minister, the key to the employment problem lies in reforming the employment system and pooling the efforts of the state, collective and individual enterprises. He said the collective, individual, and service trade industries should be actively encouraged to offer more jobs.

At the same time China is trying to solve its employment problem, it also stresses the quality of its labor force. Among the 35 million new employees placed during the Sixth Five-Year plan, about 40 percent of them had some preliminary job training before they were employed.

Zhao urged the labor and personnel departments to do a better job during the Seventh Five-Year Plan and assist other departments in controlling the influx of the rural labor force into the cities.

I. 23 May 86

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CHINA  
PRC NATIONAL AFFAIRS

FANG YI ADDRESSES SCIENTIFIC RESEARCH MEETING

OW161936 Beijing XINHUA Domestic Service in Chinese 1328 GMT 16 May 86

[By reporter Wu Ming]

[Excerpts] Beijing, 16 May (XINHUA) -- Four research workers from the front line of scientific research mounted the platform in the Great Hall of the People today to report to a meeting on action and spirit of seeking the truth of science. Fang Yi said the scientific spirit the researchers displayed in seeking truth and making innovations -- as well as their daring spirit of working hard without thinking of themselves, and their socialist cooperative spirit -- should be considered part of our valuable spiritual wealth.

At this report meeting on scientific and technological workers' advanced deed held in connection with the national science and technology awards meeting, Ma Zhesheng from the Beijing Geology Education Center under the Ministry of Geology and Mineral Resources spoke on the deeds of Prof Peng Zhizhong, her deceased teacher, and her co-worker. She recounted Peng Zhizhong's contributions, saying he led his laboratory to discover more than 30 new minerals and to determine the crystalline structures of approximately 50 different minerals, bringing China's research work on new minerals to the advanced international level, while he himself became a renowned crystallographic minerologist both at home and abroad and was elected a deputy to the Sixth NCP.

Song Hongzhao from the Gynecology and Obstetrics Department of the Beijing Xieho [0583 0735] Hospital affiliated with the Chinese Academy of Medical Sciences delivered a report at the meeting. The report discussed the hard work done on the treatment of choriocarcinoma, showing the sense of responsibility to society cherished by Chinese medical scientists and technicians. Choriocarcinoma is as highly malignant gynecological tumor and has a very high mortality rate. The Gynecology and Obstetrics Department of his hospital has carried out therapeutic experiments with several varieties of medicinal herbs and chemical pharmacodynamics, th appropriate dosages, and their side reactions. The work in this area has been successful.

Luo Laikang of the Anqiu Special Adhesive Technology Research Institute in Shandong has experienced many frustrations. When he was young, he had no opportunity to receive higher education for one reason or another. Leading a poor life, he has studied on his own such subjects as electroplating, chemistry, surface treatment, and electrochemistry and developed a "cyanide-free copper-plating process." Working independently, he has completed 41 science and technology projects, including the "W-1 heat-treated protective adhesive tape" that won him a third-class state invention prize.

A medical research report on protection against injuries from special weapons at wartime delivered by Yang Jinsheng of the Academy of Military Medical Sciences was fully indicative of the spirit of dedication displayed by Chinese scientists and technicians who are not afraid of hardships and dangers, and give no thought of personal fames and interests, but are willing to act as unknown heroes and have thus worked painstakingly for decades unknown to the public.

Addressing the meeting, Fang Yi said: A country's level of science and technology is a hallmark of its material civilization as well as a significant symbol of its people's spiritual civilization.



Real scientific knowledge, penetrating scientific judgment, and the advance of science and technology are a vital force in spurring a nation's progress. We must make all-out efforts to publicize the importance of knowledge and competent personnel. Today's report meeting is a good start in this regard. We must go all out to give publicity to investors and innovators and command their achievements in order to make it a new general practice in society to encourage, respect, and cherish inventions and creations.

ECONOMIC STATISTICS FOR APRIL RELEASED

OW180218 Beijing XINHUA Domestic Service in Chinese 1418 GMT 15 May 86

[Excerpts] Beijing, 15 May (XINHUA) --- Data released by the State Statistical Bureau today show that the general situation of our national economy in April was marked by a steady growth of industrial production, an improvement on the work of transporting major supplies, a stable market condition, and an increase in the amount of currency withdrawn from circulation. In foreign trade, however, there was an increased disparity between imports and exports.

For the period from January through April, the gross industrial output value of our country stood at 272.7 billion yuan, up by 4.2 percent compared with last year's corresponding period. The average daily industrial output value in April reached a record high for this year. Production of energy and raw and semifinished materials continued to climb. Electric power output from January to April was 7.2 percent more than the corresponding period of last year. Of raw and semifinished materials, production of rolled steel, plate glass, and cement all showed a rather big rise. Nonetheless, economic results for industry remained unimproved. Compared with last year's corresponding period, the volume of tax and profit handed over to the state during the January-April period by industrial enterprises listed in the budget declined by 1.6 percent, while the costs of their products calculated on a comparable basis rose 4 percent. As for enterprises suffering losses, the total amount of their deficits was up by 34.4 percent.

The volume of railway freight for the period from January through April was 400 million metric tons, an increase of 4.4 percent above the corresponding period last year. Improvement is noted in the transportation of major supplies. Compared with last year's corresponding period, the volume of transportation of coal increased 5.3 percent, iron and steel 17.6 percent, cement 12.4 percent, lumber 9 percent, and grain 5.8 percent.

During the period from January through April, units owned by the whole people in our country invested 15.5 billion yuan in capital construction, up by 9.2 percent compared with last year's corresponding period.

For the first 4 months of this year, the total amount of retail commodity sales stood at 156.4 billion yuan, a rise of 10.4 percent compared with last year's corresponding period. The amount for April was 38.7 billion yuan, showing a rise of 12.8 percent. As of the end of April, inventory of items for domestic sales held by state-owned enterprises and by supply and marketing cooperative totaled 150 billion yuan. This was 10.6 percent more than such inventory held at the same time last year.

From January through April, the amount of wages paid by units owned by the whole people to their staff and workers totaled 34.5 billion yuan, exceeding the amount for the corresponding period last year by 18.5 percent. A rather big increase is noted in the amount of currency withdrawn by the bank from circulation when compared with the corresponding period last year. As of the end of April, the balance in the savings accounts held by urban and rural residents was 182.3 billion yuan. This was 20.1 billion yuan more than the figure at the beginning of the year.

RUI XINGWEN ATTENDS SHANGHAI CULTURAL SYMPOSIUM

OW181355 Beijing XINHUA Domestic Service in Chinese 1550 GMT 14 May 86

[By RENMIN RIBAO reporter Xiao Guangen and XINHUA reporter Zhao Lanying]

[Text] Shanghai, 14 May (XINHUA) -- The symposium on the strategy for Shanghai's cultural development came to an end today after a 5-day session. According to Zhu Houze, head of the Propaganda Department of the CPC Central Committee, this symposium was a new step made in the course of spiritual construction. He pointed out that the strategy for cultural development was a complex form of system engineering and that there would be more similar discussions.

The large-scale symposium was the first of its kind ever held in Shanghai. Invited to attend the meeting were more than 300 people, including theoreticians, cultural workers, and cultural work leaders in Beijing and Shanghai.

To draw up a strategy for Shanghai's cultural development on a scientific basis and provide the symposium with an overall background of Shanghai's cultural development yesterday and today, over 400 experts in Shanghai, after conducting extensive social investigation, wrote over 100 papers and investigation reports and drafted a proposal on drawing up the strategy for Shanghai's cultural development (draft). According to the tentative plans in the draft, by the early 1990's Shanghai should have an ethical and positive social order, a dynamic cultural environment combining natural and humane studies, a network of diverse and rationally located cultural facilities, a system creating all types of quality spiritual products, a large contingent of well-trained cultural workers with influence at home and abroad, and an atmosphere conducive to cultural exchange.

Voicing his opinions on the strategy for Shanghai's cultural development from a theoretical level and on a pragmatic basis, Xia Yan, vice chairman of the China Federation of Literary and Art Circles, said: In order to be practical and feasible, the strategy for Shanghai's cultural development must take into consideration the situation in Shanghai and in the country. According to Yang Xiguang of GUANGMING RIBAO and Bao Zunxin of the Chinese Academy of Social Sciences, Shanghai must attach importance to promoting cultural exchange with foreign countries and be ready to assimilate other cultures of the world. According to Pang Pu of the journal LISHI YANJIU [HISTORICAL STUDY], Shanghai should become China's cultural center playing the role of assimilating the scientific and cultural achievements of foreign countries and publicizing the nation's scientific and cultural achievements to the world. While unselfishly disseminating all its fine scientific and cultural achievements to China's interior, he said, Shanghai should also humbly accept all the fine scientific and cultural achievements of all nationalities from China's interior. The participants also put forward many proposals on how to implement the strategy for cultural development.

Among those attending the symposium were Rui Xingwen, secretary of the Shanghai municipal party committee; Jiang Zemin, mayor of Shanghai; and Gao Zhanxiang, vice minister of culture; as well as Qian Changzhao, Su Buqing, Jiang Chunfang, Shi Ximin, Hu Deping, Li Zehou, Liu Zaifu, Huang Zuolin, Zhang Junxiang, Wang Yuanhua, and other well-known personages and cultural theoreticians.

CHEN PIXIAN MAKES DEMANDS FOR WORK IN FUJIAN

OW210219 Fuzhou FUJIAN RIBAO in Chinese 10 May 86 p 1

[Excerpt] Comrade Chen Pixian, member of the Secretariat of the CPC Central Committee and vice chairman of the Standing Committee of the National People's Congress, came to this province on 7 May to inspect various work.

During his stay in Fuzhou, Comrade Chen Pixian had cordial talks with leading comrades of the Fujian Provincial CPC Committee, the provincial Advisory Commission, the provincial People's Congress, the provincial People's Government, and the provincial CPPCC Committee. He heard reports made by leading comrades of the provincial CPC Committee; visited Red Army veterans in the province and veterans of PLA units stationed in Fuzhou; met with a number of new and old leading cadres of political and judicial departments; and inspected the Mawei Economic and Technological Development Zone. He said: The situation in Fujian is very good. He also earnestly put forward some demands for work in the province.

In talking with leading comrades of the provincial People's Congress, Comrade Chen Pixian commented on ways to implement the "Compulsory Education Law." He said: The Compulsory Education Law is one of our country's important basic laws and has an important strategic bearing on raising the quality of the people of the entire nation. We must clearly understand the basic situation in the entire province and formulate practical measures to implement the law. We should properly solve the problem of shortages in educational funds and teachers and should also strengthen political and ideological work. The People's Congress should supervise the implementation of the "Compulsory Education Law."

In meeting with some Red Army veterans and old comrades, he said: Group after group of veteran comrades have retired from the first line of work and have been replaced by group after group of new comrades. This is a sign of our party's prosperity. Veteran comrades are getting old, but their thinking must remain young. Party members still on the job should dedicate their whole life to the cause of communism. Those who have retired from the first line to the second and third lines can do some investigation and research work and actively support new leading cadres. Veteran comrades should take good care of their health and have a good time in their later years. They must never give up their belief in communism despite their retirement.

In meeting with new and old leading cadres of various political and judicial departments, he said: The political and judicial departments in Fujian have a heavy task. New and old comrades must support and help each other. The new leading groups should carry out their work in a courageous manner and do a better job in meeting the new situation. It is necessary to carry forward good traditions and be creative in performing various duties.



FUJIAN LEADERS ATTEND LATERAL ECONOMIC TIES CONFERENCE

OW192357 Fuzhou FUJIAN RIBAO in Chinese 7 May 86 p 1

[By FUJIAN RIBAO reporter]

[Excerpts] A conference on promoting lateral economic ties among five cities of different provinces was held in Fuzhou yesterday. The meeting was the first of its kind ever held in Fujian. On the eve of the meeting, Chen Guangyi, Hu Ping, Hu Hong, Cheng Xu, Jia Qinglin, and Yuan Qitong met the leaders of Jinzhou, Changzhou, Pingdingshan, Nanchang, and Fuzhou who were here to attend the conference.

The meeting was initiated by Fuzhou, and it was cosponsored by the five cities following consultations among them. During a preparatory meeting of the conference, Fuzhou reached agreements with some cities on certain cooperation projects. For example, Fuzhou and Changzhou will cooperate in producing corduroy and bicycles; Changzhou will help Fuzhou improve its technology in printing and dying textile goods and will provide the relevant plants and the needed raw and semifinished materials; and Fuzhou will import food grain and animal feed from Nanchang and Jinzhou. During the meeting yesterday, representatives from the five cities also exchanged experiences and information on restructuring their economic system.

CHEN GUANGYI DISCUSSES FUJIAN'S ECONOMIC REFORM

OW211315 Fuzhou FUJIAN RIBAO in Chinese 10 May 86 p 1

[By General Affairs Department of the Fujian Provincial CPC Committee General Office]

[Excerpts] Reporting at the Third (enlarged) Plenary Session of the Fourth Fujian Provincial CPC Committee yesterday, Comrade Chen Guangyi fully endorsed the current gratifying situation of reform, opening to the outside world, and enlivening the economy. He pointed out that continued efforts must be made to develop the good situation and gradually narrow the gap between developed and impoverished areas.

Chen Guangyi said: Following the 3d Plenary Session of the 11th CPC Central Committee, and especially since Fujian adopted "special policies and flexible measures," the provincial party committee has firmly implemented the party's line, principles, and policies during the new period, and given full scope to Fujian's mountain and marine resources as well as its being a province with many returned Overseas Chinese and special economic zones. The several decisions set forth by the provincial party committee have yielded remarkable results. Salient accomplishment have been achieved in restructuring the economic system, opening to the outside world, and enlivening the domestic economy. The excellent situation can primarily be observed in the following three areas:

First, political stability and unity have been consolidated and developed. Thanks to the successes achieved in emancipating people's minds, restoring order, implementing rehabilitation policies, settling unresolved historical issues, and promoting spiritual construction in recent years, the whole society has become more stabilized and united. Rectification of party organizations is now proceeding soundly and smoothly in the rural areas; provincial, prefectural, and county authorities, while consolidating the results in rectifying party organizations, have been working on enforcing party discipline and improving the conduct of official organizations. Preliminary results have been achieved.

Second, economic development has been greatly enhanced. During the Sixth 5-Year Plan period, the total value of Fujian's industrial and agricultural output increased at an annual rate of 12.6 percent, people's income grew at an annual rate of 11.4 percent, and people's living conditions improved noticeably. Fujian's economy continued to grow steadily and harmoniously in 1985, and its annual development plan was fulfilled ahead of schedule. Economic growth could be observed in all fields in rural areas. Industrial economic returns exceeded the growth of output value. International trade and economic and technical exchange continued to expand. Xiamen is turning into an export-oriented special economic zone. Initial results were achieved in building Fuzhou into an open city and in building the infrastructure of the Mawei economic and technical development zone. Planning and construction of the Xiamen-Zhangzhou-Quanzhou triangular development zone also started.

Third, a good start was made in the work of aiding the poor and combating poverty. Last year, many villages and over 70,000 rural families in Fujian were lifted out of poverty. Living conditions of tens of thousands of other impoverished families also improved.

While endorsing Fujian's gratifying situation, Chen Guangyi also pointed to Fujian's uneven economic growth, as shown in the following three aspects: First, there is a big difference between the coastal and the impoverished areas. With the coastal areas enjoying a higher economic growth than the provincial average, the gap between the impoverished and the coastal areas has become even wider. Second, there are significant differences between areas within the economically developed areas. There are impoverished counties, townships, and villages in areas opened to the outside world, and there are impoverished families in relatively well-off counties, townships, and villages. Third, the per capita income of approximately 10 percent of the population in Fujian is below 200 yuan. The percentage of people with this kind of income is even higher in some counties.

Chen Guangyi said: In addition to differences in historical and natural conditions, in economic foundation, and in how policies are implemented, the backwardness of impoverished areas can also be ascribed to certain other factors: First, the backward commodity economy is caused by an irrational production structure. In the impoverished areas, many cadres and people still do not understand the importance of commodity economy. There is still a single-product economy, and what they have to sell are primarily raw materials and primary products. Second, some comrades still do not know that it is important to assist and guide the masses to become affluent. While making efforts to make the county affluent, they overlook the weak links and the poor families. Some people have the mistaken idea that with the introduction of the responsibility system, proper policies have been established, and that whether or not peasants can become affluent depends on their abilities. Third, ineffective assistance can be seen from the fact that certain policies and projects have not been thoroughly carried out, and that certain measures have been irrelevant and ineffective.

Chen Guangyi pointed out: Uneven economic growth has been a longstanding issue, which cannot be resolved in a short time. However, we must gradually narrow the gap with a positive and responsible approach. While examining the situation, we must make horizontal as well as vertical comparisons. While realizing that there are households having an income of 100 million yuan [as published] or 10,000 yuan, we must also realize that backwardness still exists and that there are still impoverished households; we must analyze the situation, see where we lag behind, and acknowledge our insufficiencies. Only by doing so can we confront the problems, remain sober-minded, and do our jobs better and more thoroughly.

Chen Guangyi continued: We must have clear-cut guidance in combating poverty and achieving affluence. The provincial party committee believes that the guiding thought for the work in this regard in the next several years should be: to continue to carry out reform in all fields, to uphold the basic principle of enlivening the domestic economy and opening to the outside world, to make every effort to expedite the growth of economically developed areas, to effectively strengthen our leadership, to regard combating poverty and achieving affluence as an important project, and to strive to help the impoverished areas change their outlook.

Chen Guangyi continued: Our efforts to combat poverty and achieve affluence are made in the course of upholding the basic principle of enlivening the domestic economy and opening to the outside world, and are an important part of the economic construction plan as a whole. While mapping out our economic plans, we should make overall, not lopsided, arrangements. In the economic development of the coastal areas, the mountainous areas, and the issue of helping each other on the basis of reciprocity and mutual benefit. Our party's policy to encourage districts and people to become affluent ahead of others. Meanwhile, we must do a good job in helping and guiding the impoverished districts and impoverished families to become affluent together.

#### SHANGHAI RADIO ON ACTIVITIES OF RUI XINGWEN, OTHERS

OW181217 [Editorial report] Shanghai City Service in Mandarin at 0000 GMT on 17 May carries two reports on the activities of Rui Xingwen, secretary of the Shanghai Municipal CPC Committee, and other PRC leaders.

According to the first, 1 minute report, Rui Xingwen and Huang Ju, deputy secretary of the Shanghai Municipal CPC Committee, attended the concluding session of the Shanghai symposium on promoting friendship and cooperation with foreign countries on 16 May and spoke on how Shanghai should promote cooperation with foreign countries and use foreign capital. There are no details of their speeches. The same item also reports that, on 16 May, Rui Xingwen, and Liu Jingji, vice chairman of the CPPCC National Committee, cut the ribbon to inaugurate the Shanghai Club for Promoting Friendship With Foreign Countries.

In another 1-minute report, the same cast reports that Rui Xingwen on 16 May afternoon attended and addressed the 35th anniversary of the founding of the Shanghai People's Publishing House. No details of Rui's speech were reported. The same item also reports that on 15 and 16 May, Zhu Houze, head of the Propaganda Department of the CPC Central Committee; and Gao Zhanxiang, vice minister of culture, visited the publishing house on 15 and 16 May respectively to congratulate the staff of the publishing house on its anniversary.

Shanghai City Service in Mandarin at 0000 GMT on 18 May carries two reports on activities of Rui Xingwen and other Shanghai leaders.

The first report, 1 and 1/2 minutes long, reports that on 17 May Rui Xingwen, Zhang Dinghong, Zeng Qinghong, Xie Lijuan, Xia Zhengnong and other leaders of the Shanghai Municipal CPC Committee and the Shanghai Municipal Government attended the 12th Shanghai musical festival "Spring in Shanghai," which is held once every 2 years.

The same service, in a 1-minute report, says that on 17 May, Shanghai Municipal CPC Committee Secretary Rui Xingwen attended the commencement ceremony of Shanghai's third seminar on the planning and management of urban and rural construction. The report says that, since last October, 60 district and county magistrates and deputy magistrates have graduated from these 3 seminars.



SHANGHAI SEEKS COOPERATION WITH FOREIGN INVESTORS

HK160852 Beijing CHINA DAILY in English 16 May 86 p 2

[By staff reporter Zhen Fan]

[Text] Shanghai is seeking further cooperation with overseas investors in the fields of economy, trade, finance, science and technology and consultancy services, and favoured treatment will be provided to improve the investment environment, said Lu Guoxian, vice director of the municipality's Foreign Economic Relations and Trade Commission.

Lu told the Shanghai Seminar on Overseas Friendship Co-operation, which began yesterday, that Shanghai has been authorized to adopt the privileged policies normally used in the special economic zones. The special policies cover the scope and time duration for endorsement of items; favoured taxes; use of land; supplies of materials and the marketing of products; labour; and foreign currency.

Lu revealed at the seminar that by the end of last year, the municipality had approved 354 projects with an investment of more than \$1.3 billion.

The country's biggest trading port has trade relations with 160 countries and areas, Lu said. The number one partner is Hong Kong and Macao area, followed by the United States, Japan and Western Europe.

Lu told the seminar that during the Sixth Five-year Plan period (1981-1985), Shanghai total imports and exports reached nearly \$21.8 billion.

Lu also said that the mainland has become Hong Kong's major trading partner, reaching 120 billion Hong Kong dollars (\$15.3 billion) in 1985, 27.4 per cent of Hong Kong's total commodity trade. Mainland exports to Hong Kong reached 58 billion Hong Kong dollars (\$7.4 billion). "For more than 30 years, Shanghai has been a close trading partner with Hong Kong," Lu said. Trade with Hong Kong now covers 20 per cent of Shanghai's total exports." By the end of the 1985 the city had 92 Shanghai-Hong Kong joint ventures, 57.5 per cent of Shanghai's total joint ventures, compared to only one in 1982.

The two-day seminar aims at furthering economic and technical exchanges between Shanghai and overseas, including Hong Kong and Macao. Sponsored by Shanghai Chinese Overseas Friendship Association, the seminar is attended by 70 top business executives of Shanghai origin from the United States, Philippines, Singapore, Australia and Hong Kong as well as chief of the city's major organizations and departments.

Addressing the opening ceremony of the seminar, Jiang Zemin, mayor of Shanghai, said: "The city sincerely welcomes criticisms and suggestions concerning economic co-operation with our overseas friends."

GUANGXI: LIUZHOU CASE OF WITHHOLDING TAXES CONCLUDED

HK200236 Nanning Guangxi Regional Service in Mandarin 1000 GMT 17 May 86

[Text] According to a GUANGXI RIBAO report: At the end of last month, the Central Discipline Inspection Commission gave an official written reply and put an end to the Liuzhou City case of withholding taxes and profits and excused leaders of the Liuzhou City from being disciplined. The Liuzhou City case of withholding taxes and profits was criticized and reported by RENMIN RIBAO last October. The Liuzhou City CPC Committee sincerely expressed that they would accept criticism and pay out all taxes and profits which had been withheld. Furthermore, they applied the party paper's criticism as an impetus so that the whole city scored the best economic results in history last year.

In March this year, the regional CPC Committee made a report to the Central Discipline Inspection Commission that Liuzhou City had violated financial and economic discipline by withholding taxes and profits. In its official written reply, the Central Discipline Commission held: Liuzhou City's mistake of withholding taxes and profits was serious. The principal responsible persons of the city CPC Committee and city government should bear main the responsibility while the region should also bear a certain responsibility for this. In view of the fact that Liuzhou City admitted its mistake and paid out all the taxes and profits withheld, the Central Discipline Inspection Commission therefore agreed on the view of the regional CPC Committee that no disciplinary action should be taken against the leading comrades of the Liuzhou City. The Central Discipline Inspection Commission hoped: In the future, it is necessary to draw a lesson from this and to really take measures to resolutely stop the reoccurrence of this kind of matter.

Regarding the Central Discipline Inspection Commission's official written reply, the regional CPC Committee promptly transmitted it to the Liuzhou City CPC Committee a few days ago and put forward several experiences and lessons which should be learned:

1. While persisting in invigoration, opening up, and reform, we must act in accordance with the state law, regulations, and policies and strengthen our concept of the legal system.
2. We must establish a concept of the overall situation and put the localities in a correct relationship to the state, put the part in a correct relationship to the whole, and put a small group in a correct relationship to the whole. All must be subordinated to the interests of the state, the overall situation, and the whole.
3. After a problem or mistake occurs in work, it is necessary to take the attitude of seeking truth from facts, to take a correct view of the problem or mistake, to clearly distinguish between right and wrong, to accurately report the situation, to bear responsibility, and to correct the mistake when it is known.
4. It is essential to use the method of reform to solve a problem occurring in the course of reform and not to have our determination to carry out reform shaken.

YANG XIZONG ADDRESSES HENAN SOCIAL SCIENCE CONGRESS

HK170207 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 16 May 86

[Excerpts] The third congress of the Henan Provincial Federation of Social Associations concluded in Zhengzhou on 16 May after completing all its predicted tasks during its 3-day session.

Hou Zhiying, member of the Standing Committee of the provincial CPC Committee and director of the Propaganda Department, presided at the closing ceremony. Present were provincial party and government leaders Yang Xizong, Liu Zhengwei, He Zhukang, Zhang Shude, Zhan Jingwu, and Hu Tiyun. (Ren Fangqiu), vice chairman of the federation, delivered the closing speech.

Provincial CPC Committee Secretary Yang Xizong delivered an important speech at the closing ceremony. He pointed out: In common with other fronts, the situation on the social science front in Henan is one of the best since the founding of the state. In the past few years, social science workers in the province have persevered in the orientation of serving the building of two socialist civilizations. They have carried out theoretical research and academic activities centered on reform and the four modernizations drive.

Yang Xizong said: Marxist theory is the ideological basis guiding us in formulating our line, principles, and policies. Since the 3d Plenary Session of the 11th CPC Central Committee, the discussion on the criterion of truth, the formulation of the policy of opening up to the world and invigorating the domestic economy, the policy decision on reform of the economic structure, and the tremendous achievements in rural reform, in every case, depended on guidance by Marxist theory. Practice has proven that we may make wrong policy decisions at crucial moments if our undertakings lack the guidance of Marxist theory, resulting in setbacks to our cause and serious losses to the party and people.

Yang Xizong emphasized that all correct theory comes from practice, and is also the guide for action. Integration of theory and practice is a basic principle of Marxism. Theory divorced from practice is empty and meaningless theory.

The CPC Central Committee has pointed out that social science workers should focus on studying theoretical and practical questions regarding the socialist modernization drive. This is the sole correct way for the development of social science. The greatest current reality in China is the effort to build a socialist state with a high degree of democracy and civilization. Social science theoretical studies should be based on this reality and become firmly rooted in it. Only by applying the basic standpoint, viewpoint, and method of Marxism in close connection with the new situations and problems that are continually appearing and changing in the four modernizations drive, and raising to the proper theoretical plane for study the abundant practice of the millions of people in the four modernizations can social science workers explore the objective laws governing all aspects of the four modernizations drive, find the correct answers to all the problems, develop social science, and enable social science research to have strong vitality.

Comrade Yang Xizong said in conclusion: Tangibly strengthening leadership over social science work is the fundamental guarantee for the development of social science. The party committees at all levels must attach more importance to social science research and bring into full play the important role of social science in the modernization drive. This work must be put in an important place on the agenda. The principle responsible comrades must personally concern themselves with it and take the initiative to care for the development of social science. They must support the building of social science and solve practical problems encountered in academic research and activities.



HENAN COMMENTARY ON SOCIAL SCIENCE, LIBERALIZATION ISSUES

HK170233 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 16 May 86

[Station commentary: "Engage in Bold Exploration and Clear the Way to Forge Ahead"]

[Excerpts] The third congress of the Henan Provincial Federation of Social Science Associations has concluded.

Henan's social science still lags far behind the calls of practice and the demands of the era. Only by changing their closed-style research methods, gearing their work to modernization, to the world, and to the future, boldly exploring the road for building socialism with Chinese characteristics, probing the laws governing the building of the two civilizations, and answering major theoretical and practical problems in reform and the four modernizations can our social science workers provide a scientific basis for the leading organ's policymaking, play their think tank and consultative roles, and achieve relatively good academic results.

In order to encourage social science workers to be bold to explore, clear the way, and create new things, we must further implement the principle of allowing a hundred flowers to bloom and a hundred schools of thought to contend and create a relatively relaxed and harmonious atmosphere and environment. We must strictly distinguish between academic and political questions and between academic freedom and bourgeois liberalization. Academically, there is no need to be restricted by any books or conventions, and exploration of all kinds of questions is allowed. People are allowed to give differing opinions, to criticize, and to counter criticize, and to make mistakes.

Bourgeois liberalization is a serious political concept and such a label should not be applied to people in an arbitrary way. Of course, academic freedom cannot be divorced from the four basic principles or from party discipline and state law. It is essential to pay attention to social benefit when openly publishing articles.

Social science workers must also discard their narrow-minded, specialized concept, and absorb the new fruits of research in natural science. They should use the new methods of natural science as reference, and strengthen lateral ties and cooperation with natural scientists in promoting comprehensive research. In this way they can serve still more effectively the effort to invigorate Henan and also develop and stimulate social science in the province.

HUNAN FACTORY LEADERS IGNORES ENVIRONMENTAL PROTECTION

HK210121 Changsha Hunan Provincial Service in Mandarin 1000 GMT 19 May 86

[Excerpts] At the end of April, the mining bureau of No 7 mine formed a special investigation team for dealing with a case in which (Li Yu'an), deputy director of a factory and engineer under the bureau, and others indiscriminately supported townships to set up a small iron smelting plant but disregarded environmental protection. The team will strictly deal with the parties concerned. In addition, through this case, the leadership of the bureau carried out, among party and government leaders of the bureau, as well as cadres at district and section levels and workers, activities for studying regulations on environmental protection. The leadership educated the cadres on studying and observing the regulations, and on protecting the environment.

In this case, (Li Yu'an) ignored the regulations of the state and the mine when developing lateral economic ties, and without authorization undertook the work of designing small smelting plant at (nanfang) Township in Lianyuan County. The plant employed the indigenous method of work. But they paid no attention to environmental protection.

Following the occurrence of the case, the Lianyuan CPC Committee attached great importance to it and sent personnel to the site to solve problems on the spot. The personnel of the county CPC Committee further decided to stop the smelting plant from operation, and to move the plant. In addition, the personnel decided to increase the investment in environmental protection. They ensured that the plant would not be put into operation unless its environmental protection work passed the examination of the environmental protection department.

#### HUNAN COMMENTARY VIEWS ENVIRONMENTAL PROTECTION WORK

HK210141 Changsha Hunan Provincial Service in Mandarin 1000 GMT 19 May 86

[Station commentary: "In Developing Lateral Economic Ties, It Is Necessary To Pay Attention to Environmental Protection"]

[Text] Since the beginning of this year, the work of promoting lateral economic ties has been in ascending. Many factories, mines and enterprises have overcome their shortcomings and have given full play to their advantages in terms of technology, equipment and funds. Therefore, they have become more vigorous when developing lateral economic ties. Many small enterprises, as well as township and neighborhood enterprises, have received support from large factories and mines through lateral economic ties. The local resources are thus made full use of. This has promoted the economic development of both urban and rural areas.

However, some large and medium-sized enterprises ignore the state regulations on environmental protection and hand over production projects that will bring harm, poison and serious pollution to the surrounding area, to small enterprises, as well as township and neighborhood enterprises, which are incapable of treating these harmful results. Thus, the environment is severely polluted.

Such acts of undermining the fundamental rights of the masses is intolerable. Protecting the environment is a great cause which will benefit our future generations. When developing production, we must simultaneously undertake the work of protecting the environment. In developing lateral economic ties, the large and medium-sized enterprises must not hand over or offer cooperation to town and township enterprises for those projects which are stipulated by the state as forbidden ones. Instead, they should try their best to provide to the small enterprises those pollution-free projects, or projects that only bring about small-scale pollution. Enterprises that take part in cooperation and lateral economic ties should implement the environmental protection measures while conducting education on the regulations on environmental protection. They should hold those who violate the state regulations on environmental protection and who bring about serious harm in this area because of their acts accountable according to the law.

BEIJING MUNICIPAL CPPCC ELECTS NEW LEADERS, MEMBERS

HK211235 Hong Kong ZHONGGUO XINWEN SHE in Chinese 1126 GMT 20 May 86

[Text] Beijing, 20 May (ZHONGGUO XINWEN SHE) -- At the Fourth Meeting of the Sixth Beijing Municipal CPPCC, which closed today, former Beijing Vice Mayor Bai Jiefu was elected by by-election chairman of the present Beijing Municipal CPPCC, and An Lin was elected vice chairman. Zhang Yichun, the son of Zhang Zhizhong, Zhou Pan, the daughter of Yang Hucheng, and Zhang Yixue, the daughter of Zhang Bojun, were elected by by-election members of the Beijing Municipal CPPCC Standing Committee. Other members of the municipal CPPCC Standing Committee elected by by-election are Lu Daopei, Fei Lulu, and Tao Huimin.

BEIJING WORKERS URGED TO ABANDON 'RUDE SERVICE'

OW170734 Beijing XINHUA in English 0616 GMT 17 May 86

[Text] Beijing, May 17 (XINHUA) -- Model workers and managers of some Beijing shops have called on all the service workers of the capital to redouble their efforts to abandon "rude service" which has been criticized in the press over the past week, the overseas edition of the PEOPLE'S DAILY reported today.

At a meeting held Friday by the municipal workers' federation, they issued a proposal calling for immediate and effective measures to be taken to improve the quality of service in different professions. The deterioration of service, even though it only occurs at a small number of work places, has spoiled the reputation of the Chinese capital and chagrined the people of the country, the paper said.

Leading cadres of Beijing's shops, post offices, hospitals, catering services and buses must enhance their employees' sense of responsibility, and spur their enthusiasm and dedication to service trades through education in politics, culture and professionalism, the meeting was told. At the same time, they must offer timely assistance in solving the difficulties of their employees in their daily lives, the paper said.

The managers also recommended an improved distribution system. Income and bonus must be tied to the quality of the worker's service, they said. Those who neglect their duties and refuse to improve their attitudes toward work must be penalized.

Congress Adopts Resolution

OW201949 Beijing XINHUA in English 1557 GMT 20 May 86

[Text] Beijing, May 20 (XINHUA) -- Two resolutions calling for improved services in the Chinese capital were adopted today at a municipal People's Congress session. The resolutions urged the municipal government to take concrete measures to enable the city to become a model in offering good services, XINHUA was told. Poor services and rude service workers have been a topic of discussion over the past few weeks here.

The resolutions called on officials to make down-to-the-earth investigations to find ways for improvement, and commercial officials in particular to tighten discipline while stepping up ideological work among the employees of the service trades.



Penalties should be meted out against those who continue to be rude, according to the resolutions.

Meanwhile, the resolutions called upon people of the city to respect service workers and help them by offering suggestions.

The fifth session of the eighth municipal People's Congress of Beijing began May 13, and ended today.

HEBEI'S XING CHONGZHI EXTENDS GREETINGS ON MAY DAY FETE

SK150751 Shijiazhuang HEBEI RIBAO in Chinese 1 May 86 p 1

[Text] Xing Chongzhi, secretary of the provincial CPC Committee, held an ebullient talk with the editor in chief of HEBEI GONGREN BAO [HEBEI WORKERS' PAPER] when he granted him an interview on the eve of May Day. During the talks, Xing Chongzhi placed ardent expectations on the staff members and workers of all trades and professions throughout the province.

Comrade Xing Chongzhi said: On behalf of the provincial CPC Committee and government I extend festive greetings to the people of the working class across the province on the occasion of marking the 100th anniversary of May Day. During the "Sixth 5-Year" Plan period, the people across the province, in particular, the more than 5 million staff members and workers across the province, have made outstanding contributions to the successful fulfillment of the "Sixth 5-Year" Plan by conscientiously implementing the line, principles, and policies of the CPC Central Committee, taking the lead in conducting reform, standing in the forefront of reform, using their brains to make rational suggestions, and carrying out into high play their enthusiasm and creativeness. The educational and technological levels of the broad masses of staff members and workers have been improved notably.

Comrade Xing Chongzhi pointed out: Undertaking the historical mission of emancipating all mankind, the working class is always geared to the future but is never satisfied with its previous achievements. With far-reaching ideals, the working class has a spirit of proceeding from actual conditions and working arduously. The tasks ahead of the people throughout the province at present are to creatively carry out the principles and policies of the CPC Central Committee, to strive to realize the "Seventh 5-Year" Plan, to make the work done in the "Seventh 5-Year" plan period better than that in the "Sixth 5-Year" plan period, and to attach primary importance to making the work done this year better than that of last year. He said: Although our province has made great progress in the economy over the past few years, our economic strength is not solid enough and we still lag behind in the fields of science, technology, and culture. Thus, we must continue to carry forward the spirit of the foolish old man who removed the mountain, to persistently carry out reform, to work hard to fulfill or overfulfill the "Seventh 5-Year" Plan, and to strive to greatly improve our production level and to lay a solid foundation for economic development. This is of great significance for realizing the grand goal of quadrupling the annual output value.

Comrade Xing Chongzhi called on the people of the working class to continue standing in the forefront of the two civilizations drive and play an exemplary role in the two civilizations. We must launch the activities of "each making a suggestion on rejuvenating Hebei" among the people, staff members, and workers across the province in order to mobilize the broad masses of the staff members and workers and the personages of all circles to suggest ways and means for promoting the two civilizations.

He called on the trade union organizations at all levels throughout the province to strengthen ideological and political work; to carry out democratic management over the enterprises; to exercise the authority to inspect, supervise, and safeguard the enterprises; to enthusiastically participate in and discuss the administrative affairs of the enterprises; and to mobilize and encourage the vast number of staff members and workers of all trades and professions to widely launch various kinds of socialist labor emulation activities in order to give full play to their intelligence and wisdom and to make contributions to the realization of the "Seventh 5-year" Plan.

Comrade Xing Chongzhi urged the people of the working class throughout the province to continue strengthening study; upgrading awareness and understanding of culture, science, and technology; and bringing their roles into greater play in the four modernizations.

CADRES PUNISHED FOR DUMPING RADIOACTIVE WASTE IN HEBEI

HK230304 Beijing CHINA DAILY in English 23 May 86 p 3

[Text] Two party and government officials in Tangxian County of Hebei Province have been punished for the illegal dumping of 25 tons of solid radioactive waste, the CHINA ENVIRONMENTAL JOURNAL reported.

The Beijing Nonferrous Metal Research Institute, the unit which deposited the waste, has now transported it away for careful disposal after paying a 10,000 yuan fine and compensation of 70,000 yuan to farmers living around the dump site.

Ma Jianguo, deputy director of the country's Urban and Rural Construction and Environmental Protection Bureau, has lost his party membership and official post for his arbitrary decision last May to authorize a contract between the institute and the county's Santumen Village.

Under the contract, Zhao Caizi, the party secretary of the village who has now been dismissed, was required to provide a permanent storage site for the waste and take charge of its transport to the site. The institute paid the village a total of 20,000 yuan as funds for local economic development.

In late June last year, Ma Jianxing, the deputy director's brother, organized the transport of the waste by truck from the institute and dumped it into a dried-up well 300 metres southwest of the village. According to the journal, they took no measures to prevent radioactive waste from sinking downward or leaking outwards. They filled the well with only three bags of cement and some straw.

The newspaper said investigations showed the waste left the area around the site with radiation levels several hundred times higher than normal. The paper said the radioactive pollution had threatened both surface and underground water supplies. The well was located along the Tongtian River only seven kilometres away from Xidayang Reservoir, and beneath it was said to be a fault in the rock stratum.

According to sources at the Beijing Nonferrous Metal Research Institute, the 25 tons of low-radioactive waste was actually the debris of a cement floor which had been contaminated in the early 1960's with tiny amounts of uranium and thorium.

The contamination took place in a laboratory building when researchers separated tantalum and niobium from a mineral that also contained traces of uranium and thorium. During laboratory tests, the mineral solution was spilt on part of the floor. The floor was covered with another cement layer 10 to 15 centimetres thick and the lab was later used for other purposes. But during the Tangshan Earthquake in 1976, cracks appeared in the laboratory building's walls. In 1984, the building was demolished and place had to be found to dump the debris of the contaminated floor.

The sources said testing showed the radioactive level of the debris waste was very, very low -- only a little above the state definition of materials which have to be treated as radioactive wastes. Compared with the state limit of  $1 \times 10$  to the seventh power curie per kilo, the sources said, the radioactive content of the debris was between  $1.69 \times 10$  to the eighth power and  $5.66 \times 10$  to the seventh power curie per kilo. After taking away the radioactive debris, the institute added, they had carefully cleared the dumping well and the surrounding area and the radioactive level has now returned to normal.

#### ARRESTED MAN THREATENED TO BLOW UP TIANJIN RAILWAY STATION

HK230844 Hong Kong AFP in English 0822 GMT 23 May 86

[Text] Beijing, May 23 (AFP) -- Police shot and wounded a man who threatened to blow up a crowded station waiting room in an hour-long drama in Tianjin this week, a newspaper reported. Li Hua, a native of Xinjiang Province in his 20's, was undergoing a security check at a railway station in Tianjin, southeast of here, Monday when he pulled explosives from his luggage, the evening newspaper TIANJIN WANBAO said in an edition received here Friday. He threatened to blow up the waiting room at the station thronged with thousands of passengers, the newspaper said.

Police evacuated the station and fired six shots at Mr Li, hitting him in the shoulder and buttocks, the newspaper said. It took police an hour to talk the man -- who ducked behind some furniture -- into surrendering, it added. Mr Li reportedly told investigators that he had lost 10,000 yuan (3,135 U.S. dollars) in a business deal with a store in Xinjiang, a poor province in northeastern China. He fled police in the province in mid-April after he stole two detonators and some explosives, the newspaper said.

#### RECTIFICATION LAUNCHED AMONG TIANJIN TOWN ENTERPRISES

SK140905 Tianjin City Service in Mandarin 1330 GMT 13 May 86

[Text] Party rectification has been launched throughout town and township enterprises in the municipality. As of now, among the more than 20,000 town and township enterprises in the municipality, 24 percent have basically completed their party rectification work, 60 percent are continuing their party rectification work, and 16 percent have begun their party rectification in succession since mid-May.

From 6 to 8 May, the CPC Committee of the municipal Agricultural Commission held a meeting in Xijiao District to exchange experiences on party rectification of town and township enterprises, and to make specific arrangements for solving the problems emerging in this regard. The meeting discussed policies for correcting unhealthy trends, adhering to reform, opening up to the outside world, and invigorating the economy. The meeting stressed: In conducting party rectification among town and township enterprises, we should strengthen leadership, give appropriate guidances to different cases, and ensure the development of reform and production.



HEILONGJIANG: SUN WEIBEN SPEAKS ON INDUSTRIAL PRODUCTION

SK060904 Harbin Heilongjiang Provincial Service in Mandarin 2100 GMT 5 May 86

[Text] Sun Weiben, secretary of the provincial CPC Committee, has stated his views in Yichun on the current industrial production. He said: We should strive for a rapid economic growth on the premise of ensuring the efficiency and the quality of products. By no means should we blindly and simply pursue high growth rate. When we strive to change the passive situation of the current industrial production, we should remember this historical lesson.

Sun Weiben said: The abnormal states in the current industrial production should be conscientiously treated after analyzing their causes. In approaching these abnormal states, we should never be frightened out of our wits. At present, the most important thing is that leaders at all levels, comrades in charge of the economic work in particular, should actually improve their leadership style, and should organize some cadres to delve into those money-losing enterprises in order to actually help them solve their problems in production. Those comrades who have delved into money-losing enterprises should first restore and establish their responsibility system.

Leading cadres should subject themselves to the system of being responsible for target management, and the work in this regard should be considered as a criterion for judging their performance. Those comrades who have delved into enterprises should cooperate with enterprise leaders to organize workers, staff members, and party members to discuss the industrial production since the beginning of this year and to mobilize them to offer reasonable suggestions in order to speed up the growth rate on the premise of ensuring economic efficiency and the quality of products. We must surely keep in mind the historical lessons, and should never blindly and ineffectively pursue overly high growth rate, and change the passive situation in industrial production as quickly as possible.

JILIN STUDENTS HOLD SYMPOSIUM ON LABOR AS COMMODITY

OW190134 Beijing XINHUA in English 0123 GMT 19 May 86

[Text] Changchun, May 19 (XINHUA) -- Is the labor force one kind of commodity in a socialist society?

"The labor force has an attribute of a commodity, so the market for it should be expanded," argued some university students at the first economic symposium held at Jilin University early this month by students of finance and economics at various universities in northeastern China.

At this five-day-long meeting, 57 students from 12 universities throughout Jilin, Liaoning and Heilongjiang provinces discussed how to make a fuller use of natural resources and speed up the economic development of their region. More than 100 reports were submitted on agricultural economic reform, foreign trade, pricing systems and the service industry.

"The symposium is a very good beginning for the students," said leading economist Guan Mengjue. He hoped the students would throw themselves into the current nationwide economic reform drive.

JILIN TO ISSUE NEW SELF-PRODUCTION, MARKETING CERTIFICATES

SK191403 Changchun Jilin Provincial Service in Mandarin 0930 GMT 18 May 86

[Text] In accordance with a circular recently issued by the provincial tax bureau, beginning on 1 July, the province's farm and sideline products self-production and self-marketing certificates will be used throughout the province. The methods for using the self-production and self-marketing certificates stipulate: When selling self-produced vegetables, fruits, grain crops, meat, eggs, cattle, and sheep, as well as other farm and sideline products which are exempt from product taxes at the country fairs, markets, and commodity exchange places designated by the industrial and commercial administrative department, those peasants and vegetable growers residing in the rural and suburban areas of the province who have the province's farm and sideline products self-production and self-marketing certificates can be exempt from the temporary sales business tax.

Those who sell tobacco leaves, valuable foodstuffs, tremella, black fungus, aquatic products, woolen piece goods, and timber should pay the product tax according to stipulations. Those sellers of tobacco leaves and fresh-water fish whose daily sales volume is less than 30 yuan can be exempt from taxation; and those whose daily sales volume is more than 30 yuan should pay taxes according to their sales volume.

When peasants sell their farm and sideline products at markets, they must carry the self-production and self-marketing certificates with them so that they can be exempt from taxation after being checked and approved by the full-time market tax administrative personnel. Those who have no such certificates should all pay the temporary sales taxes. When the province's peasants sell their farm and sideline products in other provinces, they should follow the relevant stipulations of other provinces.

The circular stipulates: After the use of new certificates on 1 July, all the self-production and self-marketing certificates formerly issued by the village residents' committees will become invalid.

The editor's note by this broadcasting station states: The fact that the provincial tax bureau has decided to use the province's farm and sideline products self-production and self-marketing certificates throughout the province and has drawn up the administrative methods for such certificates has important significance in changing the excessive issuance of self-production and self-marketing certificates in the past, in strengthening administration over the market tax revenue, and in protecting the legal rights and interests of peasants.

With photos of peasants concerned on them, the newly issued self-production and self-marketing certificates cannot be transferred, lent, and sold to others, nor can they be altered and forged. Peasants may apply for such certificates of their own accord. The period of validity of such certificate is set at 5 years, and the applicable scale has been expanded from a fixed locality to all places in the province. Expanding the circulation scale of the farm and sideline products independently produced by peasants will certainly play a still greater role in invigorating the province's commodity economy.

It is hoped that governments at all levels will support the tax organs to conduct work and to achieve success in issuing and managing the self-production and self-marketing certificates. The large number of peasants and vegetable growers in the suburban areas should enthusiastically apply for the certificates, and conscientiously observe the market order so as to make contributions to developing the province's commodity production and enlivening the markets.

SHENYANG EXPERIMENTS WITH CONTRACT MANAGEMENT FACTORIES

OW171948 Beijing XINHUA in English 1339 GMT 17 May 86

["News feature: Shenyang Tries Out Contract Management" -- XINHUA headline]

[Text] Shenyang, May 17 (by XINHUA correspondent Meng Xianmin) -- Some state-owned factory managers here are paid many times more than ordinary workers, but they also risk losing their own money or going bankrupt if their factories fail to do well. Since June 1984, 47 state-owned factories here have been leased for three to six years to private citizens who have passed detailed examinations.

To lease a factory, managers must be approved by city authorities and sign contracts certified legal by local attorneys, said Zhao Xiyu, a Shenyang economic official. The 47 factories, each with fixed assets of up to five million yuan, all had financial or technical problems at the time they were leased, according to Zhao. And, he said, though some were losing money, all now are profitable.

The contracts guarantee that the managers will not plunder the plants' fixed assets to earn short-term profits. But otherwise they give the managers full power over the factories' personnel and operations -- including the power to hire and fire. The contracts also specify the managers' annual financial obligations to the state -- and the penalties they face if their obligations are not met.

For example, the manager of an automobile oil pump plant is required to pay 260,000 yuan to the state during his three-year lease but in return may take part of the profit as his personal income. But the manager and his guarantors, who have offered their personal properties as security in case the manager fails, must compensate the state for its losses if the factory fails to meet its contract quota.

Under the contracts, the manager can earn as much as 70,000 yuan a year, scores of times more than ordinary workers -- or managers under the old system. But Zhou said the successful managers do not spend their earnings on themselves or their families. "Almost all of them use the bulk of their income to invest in their factories or to improve the fringe benefits of their workers," he said.

Ling Fangyou, manager of the oil pump plant, declined to tell XINHUA just what his personal earnings were. "The money is not important," he said. "What matters to me is to have the chance to run a factory independently, without too much administrative interference."

"I am sure my factory can turn over one million yuan to the state when the three-year contract expires at the end of this year, far more than the 260,000 yuan required by my contract," he said. At least 100 state-owned industrial enterprises and thousands of service businesses owned by the state throughout China are being run by individual contractors, according to earlier news reports.,

"Leasing state-owned factories to private citizens has dispelled the once-prevailing misconception that state ownership and management must be inseparable," said Zang Zhifeng, an economist at the Central Party Academy in Beijing, a training school for senior Communist Party officials. "Only by drawing a clear line between public ownership and management can these enterprises become independent economic entities, free from unwarranted official intervention," he said.

Shenyang is the first Chinese city to experiment with leasing state-owned factories. Last month, the city issued the country's first local legislation on private leasing of public enterprises.



CAAC RETURNS CAL 747 IN HONG KONG 23 MAY

OW230644 Beijing XINHUA in English 0630 GMT 23 May 86

[Text] Hong Kong, May 23 (XINHUA) -- A Boeing 747 cargo jet, two crew members and the plane's cargo were returned here today by representatives of the Civil Aviation Administration of China (CAAC) to representatives of Taiwan's China Airlines (CAL).

Piloted by the CAAC crew, the plane left Guangzhou at 10:20 a.m. and landed at Kai Tak Airport here at 10:48. After the plane landed, CAAC and CAL representatives boarded the plane and, in a friendly atmosphere, signed documents acknowledging the return. The CAAC representatives wished the two crew members -- Dong Guangxing and Qiu Mingzhi -- a speedy reunion with their families on Taiwan. Before leaving Guangzhou both were certified in good health following a physical examination.

The Boeing 747 cargo plane landed in Guangzhou May 3. It was piloted by Captain Wang Xijue, who expressed a wish to remain on the mainland. Discussions between the two sides began May 17. An agreement was concluded on May 20 after four rounds of talks. Today, the CAAC representatives told the CAL staff members they were pleased by the smooth implementation of the agreement.

Some 120 Chinese and foreign reporters were present to cover the event.

## Text of CAAC-CAL Statement

OW230700 Beijing XINHUA in English 0648 GMT 23 May 86

[Text] Hong Kong, May 23 (XINHUA) -- Here is the full text of the joint statement of receipt signed today by representatives of the Civil Aviation Administration of China (CAAC) and Taiwan's China Airlines (CAL) marking the return of a CAL Boeing 747 jet that was flown to the mainland May 3.

The representatives of the Civil Aviation Administration of China and China Airlines today, May 23, 1986, completed the procedures involved in the return of China Airlines' B198 Boeing 747 cargo plane and its cargo at the Kai Tak Airport in Hong Kong. Two members of the plane's crew, co-pilot Dong Guangxing and flight engineer Qiu Mingzhi, have also arrived in Hong Kong on the plane and have been met by representatives of China Airlines.

## CAL Crewmen at Press Conference

OW231059 Taipei CNA in English 1032 GMT 23 May 86

[Text] Taipei, May 23 (CNA) -- The copilot Tung Kung-hsing and flight engineer Chiu Ming-chih of the China Airlines [CAL] Boeing 747 cargo jet, who were diverted to the Chinese mainland by pilot Wang Hsi-chueh May 3 on way from Bangkok to Taipei, returned to Taipei Friday afternoon on board CAL flight CI-828 from Hong Kong. Tung and Chiu arrived in Hong Kong Friday morning from the southern Chinese city of Canton along with the CAL cargo jet which landed at the Kai Tak Airport at 10:47 after a 27-minute flight.

Upon their return to the Chiang Kai-shek International Airport at 3:40 p.m., Tung and Chiu said they are very happy to stand again on the land of this free country. They also expressed their gratitude to those people who rendered their assistance for their return.

At a press conference at the airport, Tung said it was simply a personal notion of pilot Wang to divert the plane to the mainland.

I. 23 May 86

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Tung said he was first beat down by Wang when Chiu went to the toilet after they had finished their lunch May 3. Later, Wang had a fight with Chiu in the cabin making the plane almost lose its control. As Wang tried to control the plane he diverted it to the direction of Canton, Tung said. Through four talks between the representatives of the CAL and Peiping's "Civil Aviation Administration of China" in Hong Kong May 17-20, the communist representatives agreed to send back the CAL plane, its cargo and two of the three crewmen to Hong Kong.

#### NORTHERN, EASTERN TAIWAN HIT BY 25 EARTHQUAKES

HK230244 Hong Kong AFP in English 0236 GMT 23 May 86

[Text] Taipei, May 23 (AFP) -- Twenty-five earthquakes, including two strong ones measuring 5.5 and 5.6 on the Richter scale, jolted northern and eastern Taiwan in a span of nine hours early Friday, the Central Weather Bureau said. The bureau said only the two strong tremors were felt in Taipei, shaking high-rise buildings and waking up people. The minor ones had affected Hualien on the eastern coast from midnight to 9:00 A.M. (1600-0100 GMT), it added. There were no immediate casualty or damage reports, the bureau said.

The quake measuring 5.5 struck at 1:47 A.M. (1747 GMT) with an epicenter under the sea some 20 kilometers (12 miles) east of Hualien, the bureau said. The second major one originated from a point on land 13 kilometers (7.8 miles) northwest of the aboriginal city at 5:00 A.M. (2100 GMT).

On the open-ended Richter scale, an earthquake with a magnitude of 5.5 can cause considerable damage. The bureau said Friday's tremors were triggered by the two major ones, measuring 5.8 and 5.7, that shook Taipei and Hualien Tuesday. One motorcyclist died and five other people were injured in east Taiwan in accidents related to the earthquakes.

Hualien had been hit by a series of minor earthquakes since Tuesday -- eight followed the strong ones on the same day, 10 on Wednesday and 43 on Thursday, the bureau said.

#### OTHER PARTIES SUPPORT KMT POLICY ON NONPARTISANS

OW230343 Taipei CNA in English 0314 GMT 23 May 86

[Text] Taipei, May 22 (CNA) -- Leaders of the Young China Party [YCP] and the China Democratic Socialist Party [CDSP] have expressed their support of the ruling Kuomintang's efforts to strengthen communication with nonpartisans. Ma Shu-Li, secretary general of the KMT's Central Committee, invited YCP Chairman Li Huang and Deputy Executive Director Chao Chun-hsiao and CDSP Chairmen Yan Yu-tzu, Li Tuan, Wang Shih-hsien and Lo Yung-vang to the two meetings Wednesday and Thursday to brief them on KMT's policy towards nonpartisans and exchanged views with them on the issue. Leaders of the two parties said that they have come to a full understanding of the KMT stand on this matter and expressed the hope that nonpartisans will be more sincere in communication with the ruling party so as to maintain stability and harmony in this society. They also encourage nonpartisans to register with the government agencies in accordance with the law as they try to establish the public policy research association and its branch offices. They called on the nonpartisans not to use the word "Tangwai" in labeling themselves.

PROSPECTS FOR CPC 'THIRD ECHELON' MEMBERS EXAMINED

HK210847 Hong Kong CHING PAO in Chinese No 106, 10 May 86 pp 13-15

[Article by Chang Jung: "Qiao Shi's Entrance Into the Cabinet and the CPC's Political Reforms" -- first paragraph printed in boldface]

[Text] Qiao Shi, Li Peng and Tian Jiyun comprise the majority of the five State Council vice premiers. This demonstrates the evident strength of the "third echelon," who have wielded state power and become major policymakers. But the other two vice premiers, Wan Li and Yao Yilin, who are getting on in years, will be completing their two terms of office soon. They have to remain at "front line" posts for the time being in order to guide the other three and pass on experience to them, but they will withdraw to the "second line" when the succession of old cadres by new ones is effected.

At the 19-day long Fourth Session of the Sixth NPC, the most spectacular personnel changes were the promotion of Qiao Shi, a new star in CPC political circles, to the post of vice premier, and the promotion of Song Jian, an expert in cybernetics and space engineering technology, to state councilor. So far the third echelon has established a foundation for succession in the CPC's various policymaking organs.

#### The Trend of Personnel Composition

It goes without saying that Hu Qili, a member of the CPC's political committee and standing secretary of its secretariat, who is also head of the "third echelon," has remained very active. Sometimes he accompanies Hu Yaobang on inspection tours, sometimes he goes on inspections with Zhao Ziyang, sometimes he personally heads a delegation to visit other countries, sometimes he watches war exercises, and sometimes, on behalf of the CPC Central Committee, he delivers policy speeches over a wide range on such topics as politics, the economy, spheres of learning, science and technology, education, and military affairs to democratic parties and mass organizations. According to press circle analysis, his influence in CPC policymaking is becoming increasingly important. The other two next to him in the "third echelon," who are engaged in CPC Central Committee work, are Qiao Shi and Wang Zhaoguo. Although the transfer of Qiao Shi from party work to government work has been brewing for a long time, this indicates that his status and role are more important than before and the Deng-Hu-Zhao structure thinks highly of him. At the same time, this also reflects the trend of CPC personnel changes.

The CPC will convene its "13th National Congress" in September next year and the CPC and the national CPPCC are due to change their tenure of office in 1988. When the time comes, Hu Yaobang, general secretary of the CPC Central Committee, and Zhao Ziyang, premier of the State Council, will be approaching seventy, while President Li Xiannian, Peng Zhen, chairman of the NPC Standing Committee, and Deng Yingchao, chairman of the National CPPCC, will all be older than them. The CPC has been making sustained efforts to lower the average age of its leading body. Leading cadres at the provincial level such as Wang Enmao and Xiang Nan, who actually "extended active duty," have also withdrawn from the "front line." In this connection, further efforts should be made "to effect the succession of old cadres by new ones" at the central party and government level. The promotion of Qiao Shi to the post of vice premier of the State Council looks as if it is the overture that the "third echelon" is going to officially take its turn on duty. He, Li Peng and Tian Jiyun have comprised the majority of the five vice premiers of the State Council. This demonstrates the evident strength of the "third echelon," who have wielded state power and become major policymakers.



The other two premiers, Wan Li and Yao Yilin, who are almost the same age as Zhao Ziyang, will be completing their two terms of office soon. They have to remain at "front line" posts for the time being in order to guide the other three and pass on experience to them, but they will withdraw to the "second line" when the succession of old cadres by new ones is effected.

#### Promotion Entirely on His Abilities

Qiao Shi was born at Dinghad, Zhejiang Province. He is now 62 years old but he is a CPC member of 46 years' standing. When he was young, he studied in Shanghai and plunged into the National Salvation Movement during the War of Resistance against Japan. After the war victory, he organized and led Shanghai students in launching "We want peace, not civil war" demonstrations and petitions. After the CPC seized state political power, he continued to engage in youth work. He successively held the post of secretary of the youth committee of Hangzhou City and the post of deputy head of the united front work department of the youth committee of the CPC East China bureau. Then he was transferred to take charge of industrial work. He held posts at the Anshan Iron and Steel Company and the Jiuquan Iron and Steel Company in Gansu Province.

In 1964 Qiao Shi was transferred to the International Liaison Department under the CPC Central Committee. He worked as a bureau chief and began to show ability and talent in his associations with foreign countries. In 1981 he was promoted to the post of deputy head of the department and was also elected member of the Central Committee at the 12th National Congress of the CPC as well as candidate member of the CPC Central Committee secretariat. After Hu Qili became standing secretary of the CPC Central Committee secretariat and was relieved as head of the general office of the CPC Central Committee in 1983, Qiao Shi took over the job. The next year he also worked concurrently as head of the organization department under the CPC Central Committee.

During his tenure of office, he displayed his abilities by reforming the personnel system, making the ranks of cadres of leading bodies at various levels "more revolutionary, younger in average age, better educated and more professionally competent," and carefully selecting candidate members for the "third echelon." After the National Conference of Party Delegates held last September, he was once again promoted and was elected a member of the CPC Central Committee Political Bureau, secretary of the secretariat and secretary of the Central Commission of Politics and Law. In early spring this year, Deng Xiaoping presided in person over an enlarged meeting of the CPC Central Committee Standing Committee, which came to a policy decision on improving party conduct and "hitting tigers" in the year of the tiger. Qiao Shi was appointed head of the leading group for guiding rectification of party work style in central party and government organizations, a chief commander of "hitting tigers."

Another who entered the cabinet together with Qiao Shi was Song Jian, a renowned scientist. He, at only 54, is the youngest among the 11 State Councillors. Others, like Zhang Aiping and Ji Pengfei are 76 years old. In the early 1950's, Song Jian studied in the Soviet Union and had professor Feiliedebaomu [6316 0441 1795 7637 1191], a well-known cybernetics expert, his teacher. After returning from the Soviet Union, he held important scientific research posts in the Ministry of National Defense and the Ministry of Astronautics Industry successively. He was then promoted to the post of vice minister of Astronautics Industry. In September 1982, he was elected a candidate member of the CPC Central Committee at its "12th National Congress" and became a full member at the National Conference of Party Delegates held last September. He was in charge of overall design for China's first-generation ground-to-air missiles. Thanks to his erudition, he solved many major technological problems in designing and testing China's communications satellites and submarine-launched missiles. Meanwhile, he also wrote many books on, and made major attainments in, optimizing control, the partial differential equation control system and population cybernetics.

In China he is now the most authoritative cyberneticist after Qian Xuesen. To this day he still works as president of the Chinese Society of Automation. He has been invited to give lectures abroad many times.

In 1984 Song Jian was appointed to take over Fang Yi's work as minister of the State Scientific and Technological Commission. He was one of the key members of the CPC authorities making the "decision" on reforming the scientific and technological structure. He also worked out the "spark plan" to popularize scientific and technological knowledge in the rural areas. Now Song Jian has become a State Councillor. No doubt, he is a chief commander of the "third echelon" in taking charge of work in science and technology. He himself said: "His prime may last another 10 years," as a middle-aged man, "he must work as a connecting link between the higher and lower levels." In his notebook, he has jotted down an ancient poem, reading as follows:

New bamboo branches are higher than old ones, but all branches should be supported by their trunks;

New branches grow year in year out, and numerous bamboo shoots spring up around old trees.

Song Jian said: "Now I am a new branch, but I must be supported by old branches. At the same time, I should take the responsibility of supporting new rising forces." He said that China needs at least 20 million professional personnel by the end of the century, and all measures that our country has adopted to strengthen education are actually farsighted.

#### One Who Is in Power Should Not Talk Too Much

Among the important personages of the "third echelon," and if Li Peng and Tian Jiyun are regarded as men of action, then Qiao Shi and Wu Xueqian are the ones who wield power without showing their feelings. In past years, foreign minister Chen Yi often spoke with fervor and assurance on public occasions and his remarks often surprised his audience, but the present foreign minister, Wu Xueqian is known as a reticent person. "One who is in power should not talk too much." This is Qiao Shi's maxim. He takes this maxim probably because he engaged in scientific research in industrial enterprises for a long time during the 1950's and 1960's.

At present, Peng Zhen, Chen Pixian and other strong men in political circles are all getting on in years and they are not as energetic as before. The CPC's top policymakers have really taken great pains to select Qiao Shi to succeed them. When Qiao Shi joined the CPC in 1940, he was only 16 years old. He was then "nurtured" in the flames of the War of Resistance against Japan and China's War of Liberation. He is also a university graduate. It can therefore be said that he is a cadre who "has been long tested" and is well-educated. Furthermore, he is steadfast, capable and experienced. He does not like to talk too much but he can look ahead with wisdom. This is why Deng, Hu and Zhao think highly of him. The CPC decided to "hit tigers" in the year of the tiger and get rid of internal malignant tumors with a view to thoroughly improving party conduct. As a matter of fact, Qiao Shi is the most suitable person to select for the job because he can meet what Deng Xiaoping called for: "More deeds, less empty words."

Over the past 3 months, the CPC authorities have investigated and handled a number of major criminal cases and made public some typical ones. It has been learned that more major cases will be made known to the public later. Qiao Shi pointed out that these criminal cases must be handled seriously, "regardless of the ranks of the cadres involved."

We should neither dodge contradictions and 'make a detour,' nor should we use bureaucratic work style and unhealthy tendencies as excuses to absolve people from their crimes and serious violations of discipline. According to the actual situation, we are right to investigate and deal with major criminal cases and lay stress on economic crimes. On the other hand, we must not neglect other serious cases of violating party and administrative discipline, such as appointing people by favoritism, replacing rule by law with rule by men, and incurring heavy political and economic losses to the state due to serious dereliction of duty or abuse of authority."

It has been said that rectification of the party's work style has made progress. Aside from the high resolve made by Deng Xiaoping and other top leaders, it is mainly due to the decisive manner adopted by Hu Qili, Qiao Shi, Wang Zhaoguo and other political stars in the "third echelon," who are impartial and incorruptible, stick to principles and dare to handle "tough" problems. Qiao Shi said: "We must realize that improving party conduct is a pressing necessity. Both when investigating and dealing with major criminal cases and when checking unhealthy tendencies, we must firmly grasp and should not work sluggishly. We should manage to achieve practical results and should not adopt a perfunctory attitude toward higher authorities and the masses of the people. Therefore, we should not emulate each other for quotas and rates of progress and make a show of strength. We are in power, we should not talk too much. In rectifying the party's work style, we particularly should not utter empty words but actually do more."

It can thus be seen that as a vice premier, Qiao Shi will continue to display his distinct personality and leadership ability through a rigorous approach and good work efficiency.

#### A Relaxed Political Situation

At the NPC and CPPCC meetings held in Beijing recently, Hu Qili called party member deputies together. On this occasion, he pointed out: "Instead of the rural areas, our reform has now focused on the cities; and besides the economic restructuring, we have begun to undertake reform in the scientific, technological, educational, military and political fields. We must develop socialist democracy in our political and social life and establish equal man-to-man relations and correct relations between men and society. Leaders should resolutely get rid of bureaucracy, respect the will of the people, listen to criticism, and develop democracy." Thus we will be able to build a relaxed and stable social environment and guarantee the progress of our reform.

Reportedly, at a recent meeting with foreign guests, Deng Xiaoping said: Without democracy there would be no socialism. Ours is a big country. Our party is big and has a large number of cadres who are endowed with massive power. If they abuse their power and do whatever they like without strict supervision by the people, the consequences will be dreadful to contemplate. Speaking of how to institutionalize democracy within our party and our society and how to codify it into law, Hu Qili pointed out: "This is an important problem that must be solved in the course of reforming the leadership system of our party and state. We must make further efforts to study and explore the problem." The newly appointed vice premier Qiao Shi will undoubtedly be assigned to take charge of the "structure reform." He will go through rigorous trails of "how to eliminate corruption," resist the corrosion of feudal and capitalist decadent ideology, and create a favorable political and social climate for reform."

Not long ago, outside circles paid much attention to the succession of Li Peng or Tian Jiqun to Premier Zhao Ziyang's post. Now the sudden promotion of Qiao Shi has made the conjecture more complicated and confusing.



On 9 April, before the closing of the NPC and CPPCC sessions, Qiao Shi led a CPC delegation to attend the 17th Congress of the Italian Communist Party. Besides Hu Qili, Qiao Shi is probably the only other from the CPC's "third echelon" who is qualified to attend such activities. Of course, people will not underestimate him, but they ardently hope that he will make more valuable contributions to the development of society and democracy in his new post.

HONG KONG ANALYST COMMENTS ON TRADE WITH PRC

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[By Paul Sham]

[Text] The 203 China-backed companies in Hong Kong have failed to play their expected role of acting as a bridge of economic development between the territory and China, according to Mr Thomas Chan, a research officer at Hong Kong University's Centre of Asian Studies. Writing in the introduction to the "Directory of Companies with PRC Capital (in Hong Kong)," Mr Chan said the emergence of China-linked companies as a prominent segment of Hong Kong's economic scene is yet to be built on a steady and mutually beneficial basis. The 311-page publication was published by CERD Consultants and edited by Mr Chan.

Mr Chan said as a result of their poor co-ordination and lack of comprehensive plans, the development of these companies has been chaotic and led to erroneous investments. For example, he said the fierce competition among China Merchants Steam Navigation Co Ltd, Far East Enterprising Co (HK) Ltd, Guangdong Enterprises and Fujian Enterprises on the lucrative Sino-Hong Kong shipping route saw them cut into each others' earnings. These firms' economic strategies were guided neither by the interests of Hong Kong nor China, Mr Chan said. He attributed the problems to the over-dependence of these companies on the operational principles of capitalism, on profit return, and on the imitation of local enterprises' investment and operating strategies. Mr Chan said from this year onward, companies...with fewer financial backing will either be eliminated or forced to merge with bigger China-linked enterprises. He said this would result from the expected clamp-down on these operations by the central government this year, following measures adopted in China last year to reform the country's foreign trade system.

In the second half of last year, the State Council overhauled all agents, companies, and enterprises set up in Shenzhen by provincial and local authorities. One reason for the crack-down was the widespread practice of parallel trade between China and Hong Kong, which had disrupted the traditional channels and agency system in the trade. Mr Chan said a reduction in the number of these smaller firms, which were largely set up by counties or cities, will further reinforce the economic strength of the more established China-backed companies. But further development of these bigger enterprises is fraught with difficulties, he said. These include their insufficient expertise and resources to make significant break-throughs in their own operations, with the local market having its own restrictions and competition from local and foreign companies. He said forming joint ventures with local businessmen and going overseas will be the trend for these firms. The most outstanding example, as quoted by Mr Chan, is the Hong Kong Macau International Investments Co Ltd, which has the participation of the Bank of China group, the China resources group, and many prominent local Chinese businessmen. He said China-backed enterprises will be able to rely on the manpower, resources and connections of the local Chinese businessmen in their ventures into new investment areas through co-operation. Although Mr. Chan said the overseas ventures of these firms will be relatively few, he cited Guangdong Enterprises as the best example. He said the company announced earlier this year it will set up branches and subsidiaries in Europe to spearhead its overseas business.

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